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Japan

Papers Criticize Clinton, Urge Surplus Cut

OW0503053294 Tokyo KYODO in English 0446 GMT 5 Mar 94

[Text] Tokyo, March 5 KYODO—Major Japanese dailies decried U.S. President Bill Clinton in their editorials Saturday [5 March] over his reinstatement of the "Super 301" trade provision that opens the door for trade sanctions against Japan. But the editorials at the same time urged the Japanese Government to take decisive steps to slash Japan's swelling trade surplus.

The major dailies denounced the Super 301 clause as violating free trade principles confirmed with the conclusion in December of the Uruguay Round of trade talks under the General Agreement on Tariffs and Trade.

The ASAHI SHIMBUN interpreted Clinton's move as bowing to domestic pressure after the recent U.S.-Japan summit in Washington failed to achieve a breakthrough in the so-called trade framework talks.

Given relevant promises made during the presidential campaign two years ago and strong demands from Congress to force open the Japanese market, Clinton could hardly avoid reinstating the Super 301 trade provision, the ASAHI said. The daily said, however, that using the threat of sanctions unless Tokyo makes concessions is "tantamount to waving one's fist" and a behavior Japan "cannot accept."

"It is only natural that the Japanese Government voiced ardent opposition," the ASAHI said. The paper said the fact that Clinton explained his decision in a phone call to Japanese Prime Minister Morihiro Hosokawa indicates that Washington is not interested in setting off a trade war.

The Hosokawa cabinet must demonstrate its political will to improve trade relations by drawing up an action plan to change Japan's economic structure, which the ASAHI said is the main cause for the nation's huge trade surplus.

The MAINICHI SHIMBUN reproached Clinton for damaging bilateral relations by "pulling the trigger of the institutional gun, before Japan has even thrown back the ball." His reviving the clause is "extremely regrettable," the paper said in its editorial.

Reinstating the clause as if the stalled framework talks had already collapsed is "a dangerous game" that could drive overall bilateral relations into a "dangerous abyss against the President's own intention," the MAINICHI said.

The daily called for a plan to tackle Japan's total as well as bilateral current account surplus.

The YOMIURI SHIMBUN said editorially that Clinton's move is "regrettable," but now Japan holds the "key" to solving the bilateral trade frictions. It urged Hosokawa to demonstrate "maximum leadership" in addressing the nation's trade imbalance "quickly and voluntarily."

Deploring the revival of the Super 301 provision, the NIHON KEIZAI SHIMBUN pointed to the damage Japan would suffer in a trade war of sanctions and retaliatory measures.

Clinton's move indicates that the United States this time will "not indulge" Japan's trade surplus, all the more as the end of the Cold War has eased pressure to play down trade conflicts for the sake of unity against a joint enemy, the economic daily said. To avoid further turbulence in the foreign exchange markets, Japan should not stick to its "determined no-policy" approach, the paper said.

BOJ Source Welcomes U.S. Jobless Rate Decline

OW0403143494 Tokyo KYODO in English 1422 GMT 4 Mar 94

[Text] Tokyo, March 4 KYODO—A Bank of Japan [BOJ] source on Friday [4 March] welcomed the decline in the U.S. jobless rate for February as good for bilateral relations and the global economy as well. "This could be a factor which softens the recent stiff bilateral relations (between Japan and the United States), and it's a stabilizing factor for the world economy," the source said.

The labor department reported the U.S. jobless rate fell to 6.5 percent in February from 6.7 percent in January, with nonfarm payrolls growing by 217,000.

The central bank source said the February increase in nonfarm payrolls was larger than expected despite cold weather for that month.

"This points to a recovery of the U.S. economy and an increase in competitiveness in the U.S. Manufacturing sector," he said. He did not elaborate.

IDO, Motorola 'Close' To Reaching Accord

OW0503105394 Tokyo KYODO in English 1039 GMT 5 Mar 94

[Text] Tokyo, March 5 KYODO—Nippon Idou Tsushin Corp. (IDO) is close to reaching an agreement with Motorola Inc. of the United States to construct 159 more Motorola-formula car phone relay stations possibly early next week, industry sources said Saturday [5 March].

IDO, Japan's major mobile phone operator, and the U.S. telecom equipment maker are currently ironing details of the deal, including the timing of construction, according to the sources. The accord would help avoid U.S. trade retaliation against Japan, they said.

The sources said IDO still opposes a U.S. call for allocation of part of the frequencies presently used for Nippon Telegraph and Telephone Corp.-formula phones to Motorola.

If both companies reach a final agreement, Japanese telecom trade negotiators are ready to start talks with their U.S. counterparts to avoid U.S. retaliation, an official at the Posts and Telecommunications Ministry said.

More U.S. Effort To Enter Glass Market Urged

OW0703102394 Tokyo KYODO in English 0931 GMT 7 Mar 94

[Text] Tokyo, March 7 KYODO—Japan's Trade Ministry on Monday [7 March] urged U.S. flat glass makers to strive harder to enter the Japanese market. Japanese flat glass makers have done all they could to promote fair competition while their U.S. counterparts' efforts to do business in this country have been insufficient, the Ministry of International Trade and Industry (MITI) said.

Citing the latest poll on Japanese wholesalers of flat glass, MITI said 11.4 percent of those polled handle imported flat glass, an increase from 5.7 percent in the previous June 1993 survey.

The data does not necessarily suggest that the remaining 88.6 percent or 303 firms are reluctant to import foreign-made flat glass, MITI said, noting that most responded they had no records of buying foreign products just because they have not received any inquiries from foreign makers. Of the 303 wholesalers, only 74 reported having had contact from foreign firms whose efforts were described as limited by 53 wholesalers in failing to progress beyond exchanging greetings or sending direct mail, MITI said.

The survey was conducted from November through December 1993 with 385 wholesalers belonging to the nationwide flat glass wholesalers' group. Of the total, 342 responded.

A MITI official said the survey was conducted to check the openness of Japan's flat glass market following the enforcement of a variety of market-opening measures after then U.S. President George Bush's visit to Japan in January 1992.

Based on the "Tokyo Declaration on the U.S.-Japan Global Partnership" signed during Bush's Japan visit, MITI formulated an antitrust program for Japan's three major flat glass makers, encouraged users to step up imports and encouraged greater efforts by foreign makers, the official said.

The U.S. often describes Japan's flat glass distribution system as exclusive of imports but Washington's "distorted perception" of the Japanese market as closed should be rectified, the official said.

The MITI official said Japan's top glass maker Asahi Glass Co. has scrapped shady pricing systems and "a progressive rebate system," a practice that has drawn foreign criticism as exclusionary by promoting wholesale buying only from a single maker.

The two other major glass makers also unveiled a plan to abolish these practices from April, the official said.

In the latest survey, 30 of 39 wholesalers that handle foreign products cited further qualitative improvement as a top condition for increasing purchases from foreign companies in the future. In contrast, only three of the 39 firms cited quality as a reason for handling foreign products.

Japan's flat glass imports from the U.S. surged 27 percent in 1993, the official said.

Imports could rise in the future if foreign makers improved quality, prices and delivery, the official said.

Ministry Relaxes Car Inspection Requirement

OW0303185794 Tokyo NHK General Television Network in Japanese 1215 GMT 3 Mar 94

[Announcer-read report; from "NHK News 9" program]

[Text] The Ministry of Transport announced on 3 March that Chrysler's Cherokee, a recreational four-wheel-drive vehicle, would no longer require "vehicle-by-vehicle" inspection when it is put on sale in Japan. This is part of efforts to increase imports of U.S. automobiles into Japan.

In the Japan-U.S. economic talks, the United States condemned the Japanese system of inspecting imported cars as an invisible trade barrier. Under the system, every single imported car is inspected to make sure that it meets Japan's safety standards.

Mazda Unveils 'Voluntary' U.S. Parts Plan

OW0503062694 Tokyo KYODO in English 0602 GMT 5 Mar 94

[Text] Tokyo, March 5 KYODO—Mazda Motor Corp. plans to purchase 2.4 billion dollars worth of U.S.-made auto components in fiscal 1997, company officials said Saturday [5 March].

Mazda is among major Japanese carmakers that have been mapping out individual parts-purchase programs in the wake of the collapse in February of "framework" trade talks between Japan and the United States.

Toyota Motor Corp., Japan's top automaker, is also expected to unveil by the end of the month a "voluntary target" to purchase parts worth some 6 billion dollars in fiscal 1996.

Under the "voluntary" plan, scheduled to be announced in mid- March, Mazda will import 400 million dollars worth in parts from the U.S. and its U.S. plant, Auto Alliance International, will procure another 2 billion dollars worth.

Mazda officials said the planned purchases include 2.3 billion dollars worth in parts Mazda had intended to buy in fiscal 1994 in line with its plans unveiled in January 1992 during then President George Bush's visit to Tokyo.

The initial plan for fiscal 1994, starting in April, calls for 1.9 billion dollars worth in purchases by its U.S. plant and 400 million dollars worth in imports by the parent Mazda.

Mazda decided to postpone implementation of its initial 1994 plan, however, due to the prolonged car sales slump in Japan. Instead, it will put off the purchases by three years and add slightly to the total planned purchases, the officials said.

Association: Feb Imported Auto Sales Increase

OW0403040194 Tokyo KYODO in English 0343 GMT 4 Mar 94

[Text] Tokyo, March. 4 KYODO—Sales of imported cars, trucks and buses in Japan jumped 26.2 percent in February from a year earlier to 17,812 vehicles, the Japan Automobile Importers Association said Friday [4 March].

It said sales of passenger cars increased 15.9 percent to 16,090. Sales of cars with an engine displacement of 2000 cc or more increased 31.3 percent to 10,322, while those of smaller cars declined 4.2 percent to 5,768.

Sales of Japanese automobiles manufactured overseas totaled 3,037, up from 2,488 in February 1993.

Hosokawa Plans Market-Opening Meeting 9 Mar

OW0503122094 Tokyo KYODO in English 1204 GMT 5 Mar 94

[Text] Tokyo, March 5 KYODO—The government of Prime Minister Morihiro Hosokawa will hold a ministerial meeting Wednesday [9 March] to map out voluntary market-opening measures, officials said Saturday.

The government officials said the decision was made during a 50- minute meeting between Hosokawa and Chief Cabinet Secretary Masayoshi Takemura at Hosokawa's official residence Saturday evening.

The ministerial session follows a U.S. decision to reinstate the Super 301 trade retaliation provision against countries deemed to engage in unfair trade practices.

U.S. President Bill Clinton took the action after Japan-U.S. talks for a new framework for bilateral trade broke down last month.

The ministerial meeting is timed to coincide with a visit to Japan by U.S. Secretary of State Warren Christopher, who arrives on Wednesday for talks the next day with Hosokawa and other government leaders on trade and other issues.

The officials said the Japanese Government plans to work out market-opening measures by the end of March. Japan has been under pressure from the United States and Europe to open its markets to reduce its growing current account and trade surpluses.

The officials said Hosokawa hopes to convey Japan's market- opening package to Christopher at their meeting Thursday.

Kumano Expects Delay in Market-Opening Measures

OW0703071094 Tokyo KYODO in English 0621 GMT 7 Mar 94

[Text] Tokyo, March 7 KYODO—Announcement of some of the government's market-opening measures could be delayed until the next fiscal year, which begins on April 1, a senior Trade Ministry official said Monday [7 March].

Vice International Trade and Industry Minister Hideaki Kumano told a press conference that it is possible that some parts of the four-point package, originally planned for release by the end of March, will be unveiled toward the July summit of the Group of Seven industrial nations in Naples.

Kumano was referring to remarks earlier in the day by Chief Cabinet Secretary Masayoshi Takemura indicating a possible delay in the market-opening measures beyond the end of fiscal 1993.

Market-opening steps in four areas are being worked out by the government following the breakdown in February of the trade "framework" talks with the United States. The areas are deregulation, import and investment promotion, government procurement systems and competition policy.

The Naples summit could become a new deadline for some of the four measures, Kumano said. He declined to comment on which sectors might be delayed.

Hata on DPRK Nuclear Issue, Ties With U.S.

OW0603135694 Tokyo FNN Television Network in Japanese 2312 GMT 5 Mar 94

[Interview with Foreign Minister Tsutomu Hata by newscasters Yuji Kuroiwa and Kaori Matsuyama, Keio University Professor Yoshiaki Kobayashi, and commentator Kenichi Takemura at the FNN Studio in Tokyo; from the "News 2001" program—live]

[Excerpt] [Video shows DPRK declaration to secede from the Nuclear Non-Proliferation Treaty, followed by comments from Yasuhiko Yoshida, former chief of the IAEA's public relations department, and Hisakatsu Okazaki, former Japanese ambassador to Thailand, on North Korean development of nuclear weapons] [Matsuyama] We will now begin our interview with Tsutomu Hata who is deputy prime minister and foreign minister.

[Kuroiwa] Good morning. Deputy Prime Minister Hata, there are many things we would like to ask you about, such as the cabinet reshuffle and Japan-U.S. relations. However, first I would like to ask you about the issue of North Korea's suspected nuclear arms development, which was explained in the video we just saw. Ichiro Ozawa said earlier in this program that North Korea possesses nuclear weapons. What do you think?

[Hata] There are three suspicions regarding the North Korean nuclear issue: first, that it is planning to make nuclear weapons; second, that it has tried before to make nuclear weapons; or third, it already has one or two atomic bombs in its possession which are the same size as those dropped on Hiroshina and Nagasaki. Amid such suspicions, the International Atomic Energy Agency [IAEA] has begun inspections of North Korea's nuclear facilities. It was difficult to persuade North Korea to accept inspections of the seven facilities included in the list they submitted. The IAEA has begun the inspections thanks to persistent negotiations by the United States. However, the inspections have only just begun; their outcome is yet to be determined. Also, we are still faced with the issue of inspecting the other two facilities not included on the list. The United States has been saying it will not conduct the Team Spirit joint military exercises if North Korea accepts the inspections, followed by discussions between the North and South. Actually, South Korea proposed calling off the exercises, and the United States accepted. Under such circumstances, the IAEA has begun its inspections. The international community is still worried about the other two facilities, and is wondering whether or not the current inspections of the seven facilities will be carried out thoroughly.

[Kuroiwa] As foreign minister, what do you think about all this? Do you think North Korea has nuclear weapons?

[Hata] Well, under the current circumstances I would like to refrain from commenting on whether or not North Korea possesses nuclear weapons.

[Kuroiwa] What will be the basis of your decisionmaking? What kind of information are you going to use to determine whether or not North Korea possesses nuclear weapons? Will it be information provided by the United States?

[Hata] The IAEA is conducting its inspections as an official organization of the international community. We will make our decision on the basis of the outcome of those inspections. Of course, we will also obtain information from the United States, China, and other countries, not to mention the ROK.

[Matsuyama] As we discussed earlier, inspections will not be carried out this time on the other two facilities. As we saw in the video, many feel the effect of the current inspections will be minimal. In this regard, we received answers to our questions from the General Association of Korean Residents in Japan [Chongnyon]. According to them, the two facilities are military bases. Chongnyon adds that any claims about the two sites being nuclear facilities is intentionally fostering suspicion. They feel the possibility exists that all other North Korean military facilities will be stripped of their veils if inspections of these two facilities are accepted. Therefore, North Korea refused to accept inspections of the two facilities. What do you think of this response?

[Hata] Of course, this was discussed between the United States and the ROK. However, the inspections of the seven facilities which are included on the list will give us some idea of whether or not the material required for making nuclear bombs was removed. Therefore, the United States and the ROK agreed to inspect these facilities first. Moreover, they also agreed to call off the Team Spirit exercises. The inspections have just begun. On the basis of the outcome of the inspections, the United States and the DPRK will hold discussions again. They are scheduled to hold the third meeting on 21 March. We will make our decision on the basis of these procedures.

[Takemura] It is regrettable that Japan cannot take the leadership. This is an extremely important issue for Japan. Nevertheless, Japan has to rely on the United States after all. As I recall, former President Reagan took a very strong stance toward the Soviet Union about ten years ago. The Soviet Union deployed its SS-20 medium-range missiles. In response, the United States decided to deploy medium-range missiles in Europe. President Reagan maintained this hard stance for a long time; the strategy worked well, and finally the Soviet Union gave up the arms race in 1985, and Gorbachev eventually dismantled the Soviet Union. It would be nice if North Korea gave in like the Soviet Union did. However, the cases of the Soviet Union and North Korea are quite different. The United States is not taking any aggressive attitude toward North Korea for the fear North Korea may go haywire. However, American newspapers are saying President Clinton is a man of indecision or is weak in comparison to former President Reagan. I wonder what kind of attitude the Japanese Foreign Ministry will adopt if President Clinton begins to take a strong stance as Reagan did.

[Hata] In the meeting with Mr. Clinton or in my talks with the U.S. secretary of defense, we said that even though inspections had not started, negotiations were still underway to that end, and so it was best not to do anything that would incite North Korea.

As a matter of principle, if the DPRK decides to reject inspections or to use its negotiating position in a strange way, Japan should do what it can under its Constitution.

[Takemura] We all know there are big limitations under the Constitution. Besides, if North Korea becomes willing to start war, its nuclear warheads cannot be sent as far as the United States because it does not have the missiles to carry them that far; its missiles can, though, reach Japan and South Korea. That is what is decisively different from the situation that existed at the time of tension between Europe and the Soviet Union. Are we prepared to face this situation, though?

[Kobayashi] This is no ordinary situation for Japan. If North Korea continues to reject inspection of two other facilities, there is the possibility of U.S.-DPRK negotiations breaking down.

[Hata] It is not just the U.S.-DPRK negotiations that are jeopardized. The whole international community is very much concerned. Once North Korea is permitted to get away with it, the many other nations which want nuclear arms of their own will do the same. As such, the international community is very wary. In other words, everyone is watching patiently.

[Kobayashi] As far as the possibility of U.S.-DPRK negotiations breaking down is concerned, Ms. Hisahiko Okabe said a rift in the talks could come as early as April. As far as Japan is concerned, there is no other choice but to wait and see what will happen in U.S.-DRPK negotiations. Is that right?

[Hata] We are not exactly waiting only for the outcome of the U.S.-DPRK negotiations. As the IAEA is now conducting inspections, it is only natural Japan should consider its next moves after monitoring the progress of the inspections. However, we must remember that Japan's Constitution tells us what the country can and cannot do, so we ourselves know along what guidelines we can act and we can tell others as well.

[Matsuyama] Please look at this video footage. [video shows Prime Minister Hosokawa at a post-U.S.-Japan summit news conference saying Japan will do what it can if the UN Security Council adopts economic sanctions against North Korea; other people speak about Pyongyang's foreign money sources]

[Kuroiwa] North Korea thinks enforcing economic sanctions is tantamount to declaring a war. This means that if Japan participates in economic sanctions, Japan will be party to declaring a state of war, right?

[Hata] North Korea did make a remark like that.

[Kuroiwa] Will Japan, despite this statement, turn its promises into actions?

[Hata] It is the North Koreans who made that statement. If it decided to enforce sanctions and we are asked to cooperate, then we must play our part.

[Kuroiwa] Prime Minister Hosokawa said clearly that Japan would cooperate if the United Nations asked countries to take economic sanctions against the DPRK. But such action might be taken suddenly, so has the matter been discussed within the government and ruling coalition parties?

[Hata] Does Japan, which has for so long talked about the importance of the United Nations in world affairs and about the importance of UN-centered diplomacy, want to hear the charge that it has run away from its responsibilities when the time to play its part comes? Above all, this is a matter that concerns its closest neighboring country. Japan cannot do that. That is why Prime Minister Hosokawa said Japan will act—within the limits allowed under the Constitution.

[Kuroiwa] So, if it is decided to adopt economic sanctions, Japan will cooperate?

[Hata] This whole matter is continuing. I do not think it appropriate to discuss it when inspections of the North Korean nuclear facilities have just started.

[Takemura] There is nothing wrong with Mr. Kuroiwa wanting to pursue this matter in depth. This is different from a question such as whether or not Sakigake [Harbinger] and the Japan New Party will merge. That kind of thing really does not mean much. But the topic of North Korea concerns the lives of our people and I think everyone watching this program has a keen interest in it. I believe television programs should take this topic seriously, so I am pleased it is one of the topics for discussion today.

Other countries see that although this is an issue about which the Japanese people should be most concerned, they do not seem to show much interest about it. That is what a foreign newspaper wrote—half in derision. I want everyone to be aware of this. Mr. Hata was almost late for the program. He is busy every day, but has he been busy with the North Korean issue? He has been occupied by the cabinet reshuffle and other worthless things.

[Hata] I have been busy, but not as you have described. There are things that cannot be made public. Like information on... [sentence incomplete as Takemura interrupts]

[Takemura, interrupting] Foreign Minister Hata, you are the number-one man on this question. I certainly hope you will deal with it. It is, I think, the first most serious crisis Japan has faced in the 50 years since the end of World War II. It is about the country which lies right next to us.

[Matsuyama] There is another thing that worries us. Will you please show that video, Mr. Nakamura? This is a report carried by the MAINICHI DAILY NEWS late last year. According to this, Mr. Hata said he had heard that the Cabinet Information Research Office estimated the amount of money sent to North Korea from Japan amounts to almost 200 billion yen a year.

[Hata] The Cabinet Information Research Office said that? I think there is something wrong here. I have never said anything of the kind.

[Matsuyama] Well, that is the way the report was written, and we have obtained a comment from the General Association of Korean Residents in Japan [Chongnyon] on the subject. It said that claims of figures as high as tens or hundreds of billions of yen are without foundation. What do you have to say about that?

[Hata] What I want to say is that various sources of information allege that large amounts of money have flowed into North Korea from Japan—some of them making reference to tens or hundreds of billions of yen. Some say the money has been carried by travelers in person or in their luggage, or has been sent via Hong Kong or China. While there has been much talk about the matter, to our regret we have not been able to accurately assess the amounts involved.

[Matsuyama] Is the government doing anything to discover how much is involved?

[Hata] Even though there are no diplomatic relations between Japan and North Korea, we have to consider human rights and those people whose fatherland is North Korea or who were born there.

[Kuroiwa] As Katsumi Sato said earlier, as long as these people cannot be stopped from reentering Japan, the money flow cannot be stemmed.

[Hata] I am talking only in terms of general principle.

[Kuroiwa] The problem of money transfer will remain to be tackled in the future.

[Hata] North Korea is at present isolated. Being isolated means that there is no information coming out of there. Besides, the country has a very strong power structure, and the nation can be moved easily by its leaders. The country has a very strong power structure, but is dangerous. It is for this reason I have been saying it is very important that the people of North Korea join the international community or that an atmosphere can be created in which true dialogue can be held.

[Kuroiwa] I never meant to pose the question out of unnecessary fear. I presented the question in the belief that issues related to security and diplomacy should be dealt with on the assumption that the worse could happen.

[Maysuyama] Now, we would like to ask you about relations between Japan and the United States. But, first, we must beg your pardon for saying earlier that you came late because of your tight schedule. It was due to our failure to contact you and confirm arrangements. We are very sorry. [laughter]

[Kuroiwa] We would like to have your comments on Japan-U.S relations. When you consider the DPRK issue, you once again recognize the importance of Japan-U.S. relations. We feel the controversial Super 301 provision of the 1988 Omnibus Trade Act strongly suggests Japan is being threatened. However, now that Tokyo has declared Japan-U.S. relations have matured, we believe Japan will not yield to U.S. threats and make concessions. What are your views?

[Hata] The fact is that Mr. Clinton has stated since the presidential election campaign that he would revive the Super 301 provision. There were many arguments about the wisdom of this before the recent negotiations started. Some said it was inevitable that the United States would have to revive it. I think by showing its intention to revive the Super 301, the United States is urging Japan to give matters serious consideration. We have no intention, however, of holding negotiations under threat of the Super 301 provision. In recent GATT talks, we reached an agreement on the need to hold multilateral negotiations. Moreover, a new trade body, the World Trade Organization [WTO] is to be created. It has been agreed that disputes should not be settled through bilateral talks but through multilateral talks, and that procedures for settling disputes should be taken more quickly and more fully than before. I deeply regret that, under such circumstances, the U.S. Government has announced it is to revive the Super 301 provision which will enable it to take unilateral action in bilateral talks. I am not saying this because it happens to concern Japan.

[Takemura] I understand the foreign minister is in a difficult position. The government is inevitably urged to take a hard-line stance.

[Hata] Yes, yes.

[Takemura] Jutaro Komura, a Meiji era diplomat, was almost assassinated for signing the Portsmouth Treaty after the 1904 Japan-Russia War. And, Foreign Minister Yosuke Matsuoka declared Japan was withdrawing from the League of Nations by saying: "Japan will leave. Sayonara, Sayonara." At the time, the Japanese people applauded loudly.

[Hata] That is right. The people applauded him.

[Takemura] If Mr. Matsuoka had been weak and yielded to the demands of other nations he would have been severely criticized on his return to Japan. With that in mind, I am concerned that Japanese politicians, including Mr. Hata, will think that hard-line remarks are smart and become increasingly aggressive in their comments. The other day, I told the story of how Carthage was destroyed by Rome. When Carthage's negotiators returned from the last negotiations in Rome, the people of Carthage blamed them for being weak and killed them. Then the people rose up and the ancient nation was destroyed. I hope this will not...

[Hata, interrupting] What Mr. Takemura said now is very important. The fact is, during talks between me and Mr. Kantor, he said: Mr. Hata, the United States has experienced many breakdowns in trade talks with European nations and Canada. He also said: Although it is regrettable, we may need a break in the trade talks for a while because we are having difficulties reaching agreement on even basic points. At that time, I told Mr. Kantor the stories you told now. And I told him that it was such bitter experiences in Japan that led to World War II in which Japan caused much trouble. I also told him: Bearing history in mind, I find it a shame that the trade talks, which have almost been concluded, are being broken off only because of an argument about the results. Mr. Kantor and I were discussing this until early in the morning of that day. After the talks ended then, I summoned representatives from each ministry and agency to tell them they should not be optimistic. I said: Despite the breakdown of the talks, the point at issue in the talks is that Japan has a $60 billion trade surplus with the United States, and it is natural that the United States is irritated by that. I added: In that sense, we should voluntarily tackle this issue immediately after we return to Japan. I later briefed a cabinet meeting.

[Takemura] In that case, it is very good that Mr. Toyoda—Toyota Motor Corporation chief and due to become chairman of Keidanren [Federation of Economic Organizations of Japan]—recently said that Toyota, Nissan Motor Co., and Mitsubishi Motors Corporation need to voluntarily cut exports. The government cannot say that, so Mr. Toyoda's announcement was very nice. It is also good that Mr. Toyoda is to become the next Keidanren chairman because, he is the chief of a leading automaker and will now become the most responsible person in the economic sector.

[Kuroiwa] I think the timing of this announcement was possibly a little too good. Voluntary actions by Toyota and IDO or Nippon Idou Tsushin Corp. are all very well, but I suspect that, behind the scenes, the Ministry of International Trade and Industry or somebody else issued administrative instructions to them, and they arranged not to contradict each other. I can see such a conspiracy.

[Hata] This is not true. The maturing of relations between Japan and the United States has been mentioned, but Japanese economists and the general public are adopting a maturer outlook. They were not cowed by the threatened revival of the Super 301, but they also recognized that Japan's trade surplus is too big. One or two days after I returned to Japan from the United States, I met by chance the Keidanren leader at a hotel. He said: Mr. Hata, I think we have to voluntarily do what we must to deal with this issue. We clearly understand that.

[Kobayashi] Some people stress Japan must not make concessions to the United States. I think the worst aspect of bilateral negotiations is that it causes agitation in both countries. As Mr. Kantor has recently urged Japan to buy more Motorola phones, I personally feel that questionable ties among political, business, and bureaucratic circles are even stronger in the United States, but it is not an appropriate opportunity to raise the question. The United States will have off-year elections this fall, and preliminary election campaigns have already started in some states. In a way, the United States is overreacting to the trade issue as part of an election campaign. In such circumstances, the situation may become worse if Japan reacts emotionally to U.S. moves. So, I would like to ask Mr. Foreign Minister what we should do to settle the issue. On auto trade, for example, Japan's possible choices are to cut exports to narrow the export-import gap, or to further liberalize the Japanese market and so continue to sell Japanese cars without causing trade friction. Which do way would you take?

[Hata] Please let me say one thing about that. As Professor Kobayashi just noted, it seemed the negotiations were becoming a verbal war when I had talks with Mr. Kantor. Moreover, they are becoming media wars in the sense that the mass media of both countries stoking public frustrations on this issue through agitation. Since these are making the bilateral relations even worse, we must take corrective action somehow. As far as Japan's course of action is concerned, one of the rules of thumb is that the Japanese private sector should voluntarily settle its own problems—auto and auto part imports, for example. In this field, it is important to seek balanced expansion of auto trade between Japan and the United States, rather than cutting exports from one side. Another point is, in such areas as government procurement and insurance, imports are disturbed by Japanese Government regulations. In these areas, the government must positively promote deregulation.

[Kuroiwa] To settle the economic framework talks, you have been saying that it may be possible for Japan to accept numerical targets related to such macroeconomic fields as gross national product [GNP], instead of those on individual sectors. Do you intend to formally propose this to Prime Minister Hosokawa?

[Hata] The numerical target issue has been the biggest point of conflict in the negotiations, and the United States said it would impose economic sanctions if the framework talks bore no fruit. But it is not what Mr. Kantor really wanted. Similarly, both sides did not want to worsen bilateral ties through the talks. In such a case, it is very important for Japan to positively improve the current situation. Also, Japan should expand its domestic market through promotion of a deregulation policy. When better foreign-made products become available at cheaper prices, it will enrich the livelihood of consumers. We must focus on that point, rather than unwillingly responding to foreign pressures.

[Kuroiwa] Now, we would like to question Mr. Hata as the leader of Shinseito [Japan Renewal Party]. Prime Minister Hosokawa said it was his decision not to reshuffle the cabinet, and not the result of pressure from somebody else. Obviously he could not do so. I think the issue clarified discord in the coalition government. Do you think the coalition parties can maintain their unity now?

[Hata] On the day the prime minister made that announcement, I said we should go back to the starting point when the coalition government was formed last August. I also said we should remind ourselves that the most important point is that we are the ones who have changed the political framework of the last 38 years. When I said this everybody looked relieved, and I felt we were ready to restart. Every coalition party chairman and secretary general was there.

[Matsuyama] Yet, when we recently had Komeito Secretary General Ichikawa as a guest, he accused Chief Cabinet Secretary Takemura of behaving like a second prime minister. And Mr. Ozawa has been urging that Mr. Takemura be fired. It seemed to me their feelings against Mr. Takemura were at the heart of the problem.

[Takemura] In a recent television interview, Mr. Takemura said he was in a difficult position, saying there was nothing to be gained by discussing the matter yet again because it would only make things worse. In fact, however, it was an awkward question. One newspaper later carried a weird report that I was going to replace Mr. Takemura, but that is nonsense. My opinion is that the chief cabinet secretary should serve as the closest associate the prime minister and, as the spokesman, he or she should speak out on behalf of the prime minister. On the other hand, a party head should represent the views of his or her party. It is very difficult to reconcile the two conflicting positions. In this sense, I said it would be difficult for Mr. Takemura to fulfill his duties under the current circumstances. This has nothing to do with his personal capability. On those grounds, however, everyone concerned, including Mr. Takemura, agreed to let him restart. And he said he would pay more attention to the intentions of the prime minister.

[Matsuyama] Do you mean it is difficult for party heads to serve as chief cabinet secretary?

[Hata] Yes, it is difficult. But he acknowledged the difficulties, and all of us had discussed that. He is going to start again on those grounds. So, I think he is ready to fulfill the duties of chief cabinet secretary.

[Kuroiwa] Do you mean he feels sorry about his past behavior?

[Hata] It is not like that. When he was appointed as chief cabinet secretary, there was nobody else to fill the position.

[Matsuyama] It is said Mr. Ozawa went underground in protest against the prime minister's decision. Is he angry now?

[Hata] I do not think so. I talked with him on the phone yesterday.

[Matsuyama] Did you talk about the issue?

[Hata] No, we did not. Since we enacted political reform and the new election system, we talked about our future course of action.

[Kuroiwa] In connection with this, Prime Minister Hosokawa said the cabinet reshuffle is needed to organize the administration to grapple with economic reform. But he gave up the cabinet reshuffle. Then, what would happen to economic reform?

[Hata] It appears Mr. Hosokawa planned to provide a new cabinet lineup with more stress on economic reform. Yet, as seen in the government's deregulation efforts, economic reform has already started. Mr. Hosokawa actually wanted a new lineup, but I think the current cabinet is good enough.

[Kuroiwa] The current cabinet was designed as a political reform cabinet, and it has a minister in charge of political reform. So, we expected something new in the lineup for economic reform.

[Hata] Concerning political reform, we only revised the electoral and fiscal control systems for the lower house, we must work next on upper house reform. We should reorganize the political parties under the new political reform laws, and reform the entire Diet. So, political reform has not yet ended, we have just taken the first step.

[Kuroiwa] Yet, the next largest subject for Japan's politics is economic reform. So, I have a proposal. The cabinet reshuffle will take place sooner or later—probably after the enactment of the fiscal 1994 budget in May or June. At that time, I think Mr. Ichiro Ozawa is supposed to play positive roles. As the Shinseito head, what is your opinion of using Mr. Ozawa in the cabinet?

[Hata] I have been telling him he should play positive roles. But there are some problems, too. Our party is organized with only 62 Diet members, but currently plays the leading role in the coalition government since we are the most experienced group in the coalition. Therefore, we are expected to locate capable people both in the party and the cabinet. The Shinseito is occupying five seats in the cabinet. Under such circumstances, I think it is impossible for both of us to be cabinet members. But, his participation in the cabinet may be possible when I return to the party when the occasion demands it.

[Matsuyama] Do you mean Mr. Ozawa may join the cabinet when the occasion demands it?

[Hata] I think that is possible.

[Kuroiwa] You mean either you or Mr. Ozawa should take charge of the party, don't you?

[Hata] Right. But, Mr. Ozawa always says he prefers party management.

[Kobayashi] In connection with the importance of the party, you have just mentioned a sensitive point. What did you mean by reorganization of parties under the political reform laws? Under the single-seat constituency system, it is impossible for the coalition parties to beat the Liberal Democratic Party [LDP] if they deal separately with elections. Does reorganization of parties under the political reform laws mean formation of party mergers among the coalition parties?

[Hata] In a sense, political parties have been bodies for politicians. We are trying to create genuine mass parties for the people. This principle should be implemented even in local politics, and political parties must be organizations which accept ordinary citizens. Taking into account the next election and the future of Japanese politics, it is also important to think about the merger of such reformed parties. Both Ozawa and I believe a strong party is needed to cope with the LDP, or we would be smashed by them. If we allow the revival of the 38-year ruling by the LDP again, genuine changes will never happen in Japan's politics.

[Takemura] The presence of the Japan New Party [JNP] is very weak because no bigshot is left in the party. Ruling parties should keep some prominent leaders in party organizations.

[Hata] I agree with you. The individual Diet members of the JNP are very capable people, but few of them have the experience to manage political affairs. I think this is big trouble for Mr. Hosokawa.

[Matsuyama] Our time is up now. This program is posing one question to all our guests. In your opinion, how great is the probability of another political party realignment within this year?

[Hata] I think the probability of that taking place is about 60 percent, maybe a little higher.

[Kuroiwa] You have been nicknamed Mr. Political Reform. Now that the issue has been settled for the time being, could you tell me your new catch phrase?

[Hata] That would be to aim at genuine politics. Since we started working on political reform, we have been saying that another party realignment will certainly take place after the enactment of the political reform bills, or political circles would fail to catch up with the dynamism of politics.

[Matsuyama] What about your attitude toward being Mr. Hosokawa's successor?

[Hata, laughing] That is another story.

[Kuroiwa] I see. Thank you very much for joining us today. As the foreign minister, the deputy prime minister, and the party head, you gave us answers to various questions. Given the severe circumstances surrounding Japan, I think we have to try our best not to send our children to the battlefields.

[Hata, interrupting] Absolutely right.

[Kuroiwa] So, we must have an eye on developments in political circles. Thank you again.

Hata Comments on Money Flow to DPRK

SK0703005594 Seoul YONHAP in English 0045 GMT 7 Mar 94

[Text] Tokyo, March 7 (YONHAP)—Japanese Foreign Minister Tsutomu Hata warned of stern countermeasures Sunday if North Korea refuses further nuclear inspections or tries to abuse its nuclear bargaining card.

He said he had heard of various ways that North Koreans in Japan were funneling cash into North Korea, but to forcibly cut off such channels could raise the issue of human rights violations and thus required prudent consideration, he said.

Hata described various suspicions regarding Pyongyang's nuclear program in an appearance on Fuji TV, including speculation that it is manufacturing weapons or has already done so and that it possesses the same type of atomic bomb that was dropped on Hiroshima by the United States.

Japan is ready to make its own assessment of North Korea's nuclear development based on inspections conducted by the International Atomic Energy Agency (IAEA) and information obtained from the United States, South Korea and China, he said.

North Korea still has two facilities that haven't been inspected, the foreign minister reminded. Depending on its future attitude, U.N. sanctions could be imposed, he said.

On reports that money sent by Chochongnyon [General Association of Korean Residents in Japan], an organization of ethnic North Koreans and sympathizers, is being poured into Pyongyang's nuclear program, Hata said he had heard figures ranging from tens of million Japanese yen to hundreds of million yen.

The money is reportedly carried personally by people returning to North Korea, aboard freight vessels or through Hong Kong and China, said Hata.

But such funds are being sent by those who were born in North Korea and think of it as their motherland, he pointed out.

Forcibly cutting off the flow, therefore, could raise the problem of human rights violations, he said.

Hosokawa Phones Congratulations to ROK Leader

OW0703143994 Tokyo KYODO in English 1430 GMT 7 Mar 94

[Text] Tokyo, March 7 KYODO—Prime Minister Morihiro Hosokawa told South Korean President Kim Yong-sam on Monday [7 March] he wants to resolve Japan's trade dispute with the United States, government officials said. Hosokawa made the comment during a phone call to Kim in which he congratulated him over the passage of political reform legislation in the South Korean legislature.

Hosokawa reportedly said he "must find a clue to solve" Japan's trade surplus with the United States.

Kim told Hosokawa he "hopes trade friction with the U.S. can be solved in a beneficial way."

The prime minister paid tribute to Kim's leadership and zeal in achieving political reform.

Kim said that "advance is not possible without political reform."

"The South Korean community will become stable for the first time as a result of clean elections," Kim reportedly said.

PRC Vice Premier Zhu Rongji Leaves for Beijing

OW0403061894 Tokyo KYODO in English 0555 GMT 4 Mar 94

[Text] Fukuoka, March 4 KYODO—Chinese Vice Premier Zhu Rongji ended a 10-day visit to Japan on Friday [4 March], leaving for home from Fukuoka in Kyushu.

During his stay, Zhu met Prime Minister Morihiro Hosokawa and other Japanese leaders. He also visited Osaka and Fukuoka and urged business leaders to strengthen economic cooperation with China.

Tokyo To Offer Cambodia Fresh Grant Assistance

OW0303124394 Tokyo KYODO in English 1054 GMT 3 Mar 94

[Text] Tokyo, March 3 KYODO—Japan will offer Cambodia some 9 billion yen in grant assistance for fiscal 1994, which begins April 1, government sources said Thursday [3 March]. The sources said the decision will be formally announced at a two-day international conference on Cambodia to be held in Tokyo from March 10.

Japan allocated 8.4 billion yen in grant assistance to Cambodia in the current fiscal year ending March 31. The fresh funds will go toward such projects as rehabilitation of Cambodia's national route 6, restoration of a power plant in Phnom Penh and improvement of water supply and drainage in the capital.

Tokyo has invited representatives of 31 countries, the European Union and 12 international organizations to attend the second meeting of the International Committee on Reconstruction of Cambodia.

Japan pledged in 1992 to provide between 150 and 200 million dollars to Cambodia over a three-year period covering fiscal 1992 to 1994. Foreign Ministry officials said Japan has since disbursed around 190 million dollars, making it the largest donor nation.

SDPJ Leader Urges Closer Ties With Liberals

OW0503111894 Tokyo KYODO in English 1059 GMT 5 Mar 94

[Text] Tokyo, March 5 KYODO—The head of the Social Democratic Party [of Japan] (SDP) [SDPJ] said Saturday [5 March] that the party will promote ties with liberal forces in the coalition government to prepare for the next general elections to be held under a new electoral system.

SDPJ Chairman Tomiichi Murayama said that the party, the largest component in the coalition, will promote cooperation with the Democratic Socialist Party (DSP), Sakigake (Harbinger) and the Democratic Reform Party.

The Diet on Friday enacted amendments to a political reform package which calls for introducing a combination of single-seat constituencies and proportional representation for elections for the House of Representatives, replacing the current multiseat districts.

Cooperation with the liberal forces is indispensable to realize a tie-up of ruling coalition parties to fight off the main opposition Liberal Democratic Party in the elections, Murayama said.

He made the remark at a meeting of secretaries general of the party's 47 prefectural chapters.

"Similarities are increasing among the SDP, the DSP, Sakigake and the Democratic Reform Party on things such as political method," Murayama said.

Shinseito (Japan Renewal Party), a core party in the coalition, and Komeito [Clean Government Party], the third largest coalition bloc, have said the governing coalition parties must unite to create a two-party system, sustain a coalition government and prevent the LDP from regaining power.

Prime Minister Morihiro Hosokawa, head of Japan New Party (JNP), is reportedly tilting heavily in favor of the Shinseito-Komeito line, diverging from his initial stance of pursuing a moderate multiparty system.

Murayama rejected the idea, saying that supporting the governing coalition does not mean the unification of the parties.

SDPJ Secretary General Wataru Kubo also referred to the possibility of forming a new party by the liberal forces, saying the time may come for the SDPJ to be born as a new party.

The ruling coalition is made up of the SDPJ, Shinseito, Komeito, the JNP, the DSP, Sakigake, the United Social Democratic Party and the Democratic Reform Party, a parliamentary group in the House of Councillors.

In a related development, Shinseito representative Kozo Watanabe said in a speech in Utsunomiya that the ruling coalition will strengthen its unity by the time of the upper house election next year.

"It is natural for us to consolidate cooperation among ruling parties in order to win in the House of Councillors election next year," he said.

Watanabe's remark indirectly criticized a call by Akira Yamagishi, head of the Japan Trade Union Confederation (Rengo), for formation of a united front by socialist and liberal forces by election time.

Hajime Funada, a Shinseito executive in charge of election affairs, told reporters the election will serve as a test for cooperation among ruling parties in the lower house election, which will follow the upper house polls.

He hinted that the topic of a cabinet shake-up may resurface after the passage in May of the fiscal 1994 budget.

LDP's Kono Urges Hosokawa To Hand Over Power

OW0703010194 Tokyo KYODO in English 0029 GMT 7 Mar 94

[Embargoed by KYODO until "approximately" 0400 GMT]

[Text] Tokyo, March 7 KYODO—Liberal Democratic Party (LDP) President Yohei Kono urged Prime Minister Morihiro Hosokawa on Monday to hand over power, saying the seven-month-old coalition government has completed its mission.

Kono, speaking at the start of a three-day interpellation session at the Diet, said the Hosokawa Cabinet has piled up policy errors.

The leader of the main opposition party criticized Hosokawa for carrying over compilation of the fiscal 1994 budget to this year, revoking a "national welfare tax" plan, failing to reach agreement in trade framework talks with the United States and giving up a cabinet reshaping plan.

"The Hosokawa Cabinet has now finished its mission," he said.

Kono accused Hosokawa of failing to maintain a consistent basic political stance following changes in the balance of power in the seven-party coalition.

Kono said the Japanese people are concerned that the country's future may go in an unfavorable direction under threats from a behind-the-scenes strongman. He did not identify the man but was apparently alluding to chief coalition strategist Ichiro Ozawa.

The breakdown in the February summit between Hosokawa and U.S. President Bill Clinton led to the reinstatement of the "Super 301" trade provision that gives the U.S. Government broad powers to impose sanctions, he said.

Representatives of political parties are scheduled to speak Monday through Wednesday in response to Friday's policy speeches by Hosokawa and three cabinet ministers.

Komeito's Nobuaki Futami and the LDP's Koji Kakizawa will speak after Kono at Monday's plenary session of the House of Representatives.

Political Reform Package Amendments Become Law

OW0403040094 Tokyo KYODO in English 0328 GMT 4 Mar 94

[Text] Tokyo, March 4 KYODO—The House of Councillors on Friday [4 March] made into law political reform package amendments which feature changes in the House of Representatives' election system and revised regulations on corporate donations to political fund-raising organizations. The upper house approved the amendments following passage by the lower house Tuesday.

Under the amendments, 300 seats will be allocated for single-seat constituencies and 200 by proportional representation based on the popular vote in 11 electoral units. Currently, 511 lower house members are elected from multiseat constituencies.

The complete reform package will be enforced after enactment of another law identifying the locations of the 300 single-seat constituencies.

Chief Cabinet Secretary Masayoshi Takemura has said the coalition government wants to submit a bill on the constituencies' locations to the current Diet session ending June 29. But the presentation may be delayed to autumn if legislators insist their opinions be reflected on the locations.

The original government-sponsored package called for 274 single-seat districts and 226 seats allotted by proportional representation on a nationwide basis. The original package banned corporate donations to politicians and their fund-raising organizations, but the revised bills will allow firms to donate up to 500,000 yen per year during the next five years as a temporary provision.

The original package was passed on January 29 at an extraordinary Diet session shortly after Prime Minister Morihiro Hosokawa and opposition Liberal Democratic Party President Yohei Kono agreed that the amendments and date of enforcement would be discussed during the current ordinary session.

Hosokawa Faces Lawsuit on Reform Bill Compromise

OW0603100894 Tokyo KYODO in English 0955 GMT 6 Mar 94

[Text] Miyazaki, March 6 KYODO—A former Fair Trade Commission (FTC) inspector intends to file a lawsuit Monday [7 March] against Prime Minister Morihiro Hosokawa for allegedly violating the Constitution through a compromise over political reform bills in January.

The former FTC official, Taro Kayashima, 68, will file the suit at the Miyazaki district court against Hosokawa, opposition Liberal Democratic Party (LDP) President Yohei Kono and speaker of the House of Representatives Takako Doi.

Kayashima is seeking a total of 3 million yen from the three and the government as compensation for the damage which he said was inflicted by the compromise via a backdoor deal.

The government-proposed political reform bills were initially rejected in the House of Councillors and the likelihood of enactment became slim because of disagreement over compromise between representatives of the two Diet chambers.

Doi, however, proposed her own conciliatory plan to Hosokawa and Kono, and the two men took advantage of the proposal as a chance to reach an accord in a backroom meeting.

Kayashima claims the actions taken by Doi, Hosokawa and Kono violated the Constitution.

The plaintiff alleges that Hosokawa, as leader of the government, intervened in deliberations in the conference committee of both houses.

Hosokawa allegedly violated separation of the administrative, legislature and judicial branches of the government, thus damaging trust in parliamentary democracy, Kayashima said.

In addition, Kayashima claims infringement on his liberty to support a political party because the political reform bills guarantee designated parties to receive public financial assistance paid through taxes.

The upper house on Friday made into law political reform package amendments which feature changes in the lower house's election system and revised regulations on corporate donations to political fund-raising organizations.

Saito Demands Tax Bills Passage by End of Mar

OW0703101794 Tokyo KYODO in English 0929 GMT 7 Mar 94

[Text] Tokyo, March 7 KYODO—Tax revision bills must pass the Diet by the end of March for the government to implement income tax cuts planned for this summer, Vice Finance Minister Jiro Saito said Monday [7 March].

"I request (the passage) by the end of March," Saito told a regular press conference.

He was referring to reports of a possible delay in tax cuts because Diet deliberations may be tied up by the opposition parties led by the Liberal Democratic Party.

Under the tax scheme, the government plans to give half of the scheduled cut in national income tax in the pay packets containing the annual summer bonuses, and the other half with the year-end tax adjustment.

Saito said that implementation of the tax cuts should be done as early as possible to help the economy recover.

Concerning the continued rise in long-term interest rates, Saito repeated that he would watch "for a little while" to judge the trend and its economic impact, stressing "overall levels are still low."

He also indicated his intention to watch the trend in Japan's current account surplus.

"We can't judge only on single month...And the downward trend in volume remained intact," he said, referring to the politically sensitive surplus for January that showed signs of resuming an upward trend.

The January surplus posted a rise from a year earlier for the second straight month, advancing 30.9 percent in dollar terms. The yen-denominated figure increased 16.8 percent to mark the first rise in six months.

Fujii Gives Fiscal Policy Speech to Diet

OW0503062394 Tokyo NHK General Television Network in Japanese 0502 GMT 4 Mar 94

[Fiscal policy speech by Finance Minister Hirohisa Fujii to the 129th ordinary Diet session—live]

[Excerpts] The Japanese economy is constantly in a severe phase due to cyclical factors and the bursting of the bubble economy. However, Japan is being asked to construct a prosperous and vigorous economic society toward the 21st century to deal with the aging society. It is also being asked to play a suitable role in the international community. The government has to overcome the current economic difficulties as early as possible. At the same time, through the reform and opening of the economic society, it needs to construct a vigorous and open economic society in which the people can prosper, as well as to contribute to the international community for the sake of stable growth of the world economy.

[Passage omitted on explanation of current domestic and foreign economic situation] While carefully watching the current domestic and foreign economic situations and seeking the direction Japan should take toward the 21st century, the government intends to make an all-out effort to tackle the following tasks.

The first task is to implement measures for economic recovery. As I said earlier, the Japanese economy is faced with continuous stagnation in such fields as consumer spending and capital investment. Nevertheless, public investments and housing construction have been pushing up the economy, and inventory adjustment and capital stock adjustment have progressed. Also, the consumption of durable goods is expected to increase. Signs of recovery like this are steadily emerging. To strongly reinforce such signs of the beginning of an economic recovery to move our economy onto the track of a full-fledged recovery as early as possible in fiscal 1994, and to secure stable growth from fiscal 1995, we recently formulated an unprecedented comprehensive economic package exceeding 15 trillion yen. The package includes plans to increase domestic demand, such as income tax cuts worth Y5.85 [yen] trillion and increased public investments, as well as measures to tackle pressing economic problems. The package is rich in both quality and quantity, thus literally a comprehensive pump-priming program. The government intends to implement these comprehensive stimulus measures as one package, and to stimulate the economy as soon as it possibly can with the third supplementary budget for fiscal 1993 and the fiscal 1994 budget. I am confident that these measures will eliminate the pessimistic outlook and lead to an increase in domestic demand and consumer spending, thus contributing greatly to efforts to achieve a full-fledged economic recovery. [passage omitted on effects of lowered official discount rate on the economy and on need to stabilize foreign exchange rates]

The second task is to actively promote financial reform. The government has formulated several economic stimulus packages to shore up the faltering economy, and has reluctantly decided to issue more construction bonds to make up for an increase in expenditures for public works projects included in the packages. [Passage omitted on the financial structure's dependence on government bonds]

The third task is to realize tax reform before the end of the year. To make the aging society a vigorous and prosperous one, it is very important to establish a taxation system in which income, consumption, and assets taxes are well balanced, as well as to realize tax reform with public consent. Based on this view, the Tax Commission energetically discussed tax reform and compiled a report last November in which it showed the basic idea of realizing a fair and vigorous aging society. After receiving the report, the government and the ruling parties began discussions and agreed to enact legislation for tax reform before the end of the year. In line with this agreement, the government will continue to study tax reform while hearing opinions of people from various circles to realize tax reform before the end of the year.

The fourth task is to establish harmonious economic relations with foreign countries and contribute to the growth of the world economy. As world trade and direct foreign investment are expanding, the world economy more and more requires the system of mutual dependence. I believe that in such a situation, Japan needs to make efforts to establish harmonious economic relations with other countries, and to actively contribute to the growth of the world economy. To realize steady growth of the world economy with no inflation, Japan will cooperate with other countries in the process of formulating economic policy coordination at G-7 meetings of finance ministers and central bankers. At the same time, it will exchange views with other countries at the APEC meetings of finance ministers. The Uruguay Round trade negotiations, which lasted for almost seven years, were successfully concluded on 15 October, 1993. The success of the talks have placed confidence in the international economic order. Based on the results of the Uruguay Round talks, Japan will make efforts to maintain and strengthen the multilateral trade system to contribute to the growth of both the domestic and world economies. Concerning tariffs, in view of the need to open Japanese markets wider to foreign competition, the government plans to lower tariffs on raw sugar and abolish tariffs on auto parts. [Passage omitted on Japan's economic assistance to developing countries and former planned-economy nations]

The fifth task is to put life into the financial and securities markets. In order for the nation's economy to continue to grow, it is essential that the smooth supply of funds necessary for economic activities is assured. The recently announced overall economic stimulus package is aimed at enabling implementation of measures on the financial and securities markets along with other measures. It presents policies on the financial market that should make possible the smooth supply of funds, facilitate disposal of bad assets, reduce interest, and improve liquidity of credits. It also presents the government's basic thinking on ways of dealing with the bad assets of banking institutions. This thinking will remain the administrative guideline relating to solving the problems of banking institutions' bad assets.

With regard to the measures for invigorating the securities market, the government is getting ready to present to the current session of the Diet a bill aimed at introducing a system on securities transactions which will ease controls on companies acquiring their own companies' stocks. The government will continue to push for actions to simplify procedures and ease controls on securities market transactions, for instance by enabling corporations to raise capital by issuing corporate bonds at market prices.

Watching the conditions of the stock market henceforth, the government will also study ways of facilitating corporations' going public.

By implementing all these measures in a package, the government intends to secure an environment which will enable the monetary and securities markets to perform their expected functions well.

Now I will explain the key points of the 1994 budget to you.

In view of the existing very serious financial situation of the government and difficult economic conditions of the country, the 1994 budget together with the 1993 supplementary budget is meant to give great consideration to its role of stimulating the economy. On the other hand, in order to contain the issuing of deficit-covering bonds [tokurei kosai] which can only prompt worsening of the financial structure, the government has thoroughly reviewed the situation in order to trim down its expenditures. The government has also done its best to allocate funds to projects in priority areas, and to place emphasis on qualitative results in formulating this budget.

In the area of expenditures, the government has tried to economize and rationalize expenses by, for example, careful reviewing existing systems and policies. The government has thus contained the scale of the general expenditures to Y40,854.8 billion which is only 2.3 percent higher that the amount for the initial 1993 budget. [passage on containing employment of public officials, details on government bond servicing, grants to local government omitted] As a result, the scale of total expenditures has come to be Y73,081.7 billion, which is an increase of 1.0 percent over the intial budget of 1993.

Now I will explain the revenues to you. In the area of taxation, in order to meet the given needs from economic, social and administrative policies, the government will implement reduction of income taxes and the inheritance tax, and take equally appropriate actions on land taxes. The government also intends to review and adjust—to a more appropriate level—the taxes on nonprofit foundations, review and improve existing special exception measures related to all taxes, and take other various necessary measures. As regards the overall tax administration, the government will continue to make efforts to ensure appropriateness and fairness, with the trust and cooperation of the public.

In the area of nontax revenues, the government—in view of the very serious financial conditions—is now making all-out efforts to increase revenues, for instance by taking the action of converting the special account on automobile liability policy into the general account.

With regard to government bonds, the government intends to issue construction bonds worth Y10,509.2 billion to secure financial resources to support the so-called NTT [Nippon Telegraph and Telephone Company] project reimbursement expenses. In addition, the government will issue deficit-covering bonds worth Y3,133.8 billion exclusively to meet the tax revenue shortfalls that will arise from the reduction of income taxes. [passage about deficit- covering bonds, financial investment plans, other details in the revenue budget omitted]

As far as defense expenditures are concerned, in view of the very tight finances, we are holding down defense spending as much as possible under the revised Mid-Term Defense Buildup Plan, while maintaining and improving the balance in overall defense capability. The government is doing all it can to maintain and improve defense capabilities, while keeping the overall structure of defense in balance. [passage on grants to local governments omitted]

Kubota Gives Economic Policy Speech to Diet

OW0503043594 Tokyo NHK General Television Network in Japanese 0522 GMT 4 Mar 94

[Economic policy speech by Manae Kubota, director general of the Economic Planning Agency, to the 129th ordinary Diet session—live]

[Excerpts] I would like to deliver a speech on urgent tasks facing Japan's economy and basic views of economic management. Amid the unprecedented, prolonged economic slump caused by the bubble economy, Japan is being required to review the consumer-oriented economic and social structures which have so far supported our country. This means switching the basic idea of our economic society. Japan is being urged to change the current economic society into one which attaches importance to people and consumers. We have to accelerate significantly our efforts to reform the structure of our economic society in line with the trend of this new era.

On the international front, Japan, which is responsible for 16 percent of the world's GNP, is required to fulfill an active role commensurate to its economic power. In other words, Japan needs to make positive efforts to voluntarily tackle the task of building a new world economic order. On the domestic front, Japan needs to promote transparency of its economic society and try to build a society in harmony with the international community. [passage omitted on a people-oriented economic society]

Moreover, such an economic society will be realized through changing our society. The path for realizing a people-oriented society may be not easy. [passage omitted on need for the government to tackle this issue]

This year we must ensure a smooth and full-fledged recovery of the economy, and mark the first year of successfully changing the economic society. [passage omitted on the world economic situation]

Meanwhile, the success of GATT's Uruguay Round talks brings a bright prospect for the future of the world economy. Generally, Japan's economy is in a slump, marked by a continuing slump in personal consumption and a decrease in the private sector's plant and equipment investment. The severity of employment conditions is noted especially in the manufacturing industry. [passage omitted on review of the series of economic pump-priming measures the government introduced in September last year and February this year]

Thanks to the effects of the economic measures, the foundation for economic recovery is now being created. However, the real growth rate of gross domestic product (GDP) in fiscal 1993 is expected to be about 0.2 percent, without a full-fledged recovery in private demand.

While keeping those conditions in mind, we would like to adopt the following basic points to tackle economic management for fiscal 1994. The first point is to put Japan's economy on-track for a full-fledged recovery as soon as possible so that sustainable growth in the years following fiscal 1994 will be ensured. To this end, we will implement maximum policies by the end of fiscal 1994. To continuously stimulate the economy this spring, which starts the new fiscal year, we soon plan to implement the economic pump-priming package. For example, we will make efforts for the smooth implementation of public works projects which were added in the third supplementary budget for fiscal 1993. [passage omitted reviewing the draft budget for fiscal 1994 and tax cuts] On monetary policy, I think appropriate and flexible management is necessary in the future while closely watching domestic and international economic movements and international currency conditions. [passage omitted on efforts to improve employment conditions and the need for stability of prices] With economic management by the government and positive efforts by the private sector in support of economic activities for voluntary recovery, Japan's economy is expected to be on-track for a full-fledged economic recovery during fiscal 1994. The GDP's real growth rate is expected to reach about 2.4 percent in the fiscal year.

The second point is that to bring about a creative and energetic economic society, conditions for future economic development should be created through such measures as steady implementation of structural reform. [passage omitted on need for efforts to create such conditions] Moreover, we plan to help companies in restructuring their business by promoting creative research programs and improving conditions to prepare for a highly developed information-oriented society. We would like to promote development of new business and creative business activities. [passage omitted on efforts to improve working conditions]

In connection with the tax system reform, we are expected to create a fair and vital society taking into account the rapid increase of the aged population. We intend to continue our study to create a tax system which gives adequate consideration for the balance among the people's income, consumption, and assets in line with the advisory report of the Tax System Council. In that area, we will try our best to carry out tax system reform within this year. [passage omitted on environment-friendly economy]

Third, we intend to shift the focus of economic policies onto consumers. This is to enrich individuals' lifestyle by setting the goal of the Japanese economy in fields directly related to qualitative improvement of the public livelihood. In connection with this the fiscal 1994 budget plan lays emphasis on public work projects for housing, sewerage, and garbage disposal facilities. The government intends to maintain the preferential budget allotment in fields related to the public livelihood. [passage omitted on details of above-mentioned construction, housing programs]

The disparity of commodity prices between the Japanese and international markets is one of the major reasons the public cannot actually feel their economic achievements. To ease the problem, we will correct and cut such causes as government regulations and exclusionary business practices. [passage omitted on women's social positions]

Regarding the product liability system and other measures for preventing and redressing economic damage to consumers, we would like to enact necessary legislation as soon as possible. In accord with advisory reports of the Social Policy Council, some bills may be submitted to the current Diet session.

Fourth, we would like to positively create harmonic foreign economic relations, contribute to revitalization of the world economy, and take the initiative in maintaining and reinforcing the free trade system. To achieve this objective, we should positively promote structural reform of the economy through deregulation so that both Japanese and foreign-national companies and individuals can participate in business activities under visible rules. Functions of the OTO [Office of Trade and Investment Ombudsman] have been recently strengthened. OTO activities and review of government procurement procedures will further improve the accessibility of foreign companies to the Japanese market. Also, we will promote imports and direct investments from foreign companies. With Japan's market opening efforts and economic recovery, its trade surplus in fiscal 1994 is expected to become lower than the previous year.

The virtual conclusion of the Uruguay Round indicates the strong resolve of GATT member nations to maintain and strengthen the multilateral free trade system. Japan will steadily implement achievements in the GATT negotiations.

To ensure stability and steady growth of developing nations, we would like to enrich our economic assistance programs in line with the Official Development Assistance [ODA] guidelines and the fifth ODA mid-term plan. Also, we will offer appropriate intellectual assistance, such as technological assistance to smoothly implement the economic reform efforts of former planned-economy nations.

The above is my view of Japan's major economic issues and the favorable direction of economic policies. In the last seven years of the 20th Century, the international economy is expected to grow beyond current boundaries. The world economy is probably heading for a new order of the market economy system through such new trends as the rise of bloc economies and economic reform of former planned- economy nations. In the process, the Asian economy is expected to grow bigger, and Japan will not be able to remain unaffected by the drastic changes in the structure of the world economy. I believe our duty is to overcome such changes appropriately, and realize the bright future of the Japanese economy in the 21st Century. We do have accumulated economic power, highly-educated personnel resources, and a high level of technological and cultural foundations. We are now expected to demonstrate our creativity and ability to make the most of our resources in the new era. Change is a way to utilize the people's efforts for the future. I would like to try to achieve the best based on the people's choice and action. I sincerely hope for their support and cooperation.

Cabinet Sets Growth Target for FY '94

OW0403010494 Tokyo KYODO in English 0046 GMT 4 Mar 94

[Text] Tokyo, March 4 KYODO—The cabinet of Prime Minister Morihiro Hosokawa formally endorsed on Friday an inflation-adjusted economic growth target of 2.4 percent for fiscal 1994. The targeted growth rate, first set forth at a special cabinet meeting on February 10, is a rebound from the sluggish 0.2 percent growth envisaged for fiscal 1993 that ends March 31.

The projection is based on gross domestic product (GDP), the total value of goods and services produced in a country.

The cabinet also approved projections for key economic items, including for government spending and national income. Government spending is projected to rise 7.8 percent in nominal terms and 7.5 percent in real terms to 92.7 trillion yen for the coming fiscal year.

National income is forecast to increase 3.5 percent to 372.8 trillion yen. Corporate earnings are projected to rise 5.4 percent to 60.2 trillion yen, the first increase in six years.

Hosokawa Pledges To Pursue Economic Reform

OW0703104094 Tokyo KYODO in English 1025 GMT 7 Mar 94

[Text] Tokyo, March 7 KYODO—Prime Minister Morihiro Hosokawa vowed Monday [7 March] that he will continue to lead efforts to make the Japanese economy more open to the rest of the world.

"Economic and administrative reforms now under way are indispensable in establishing an economic society open to the world. For that purpose, I and the cabinet as a whole will continue to make efforts to solve Japan-U.S trade friction, promote economic deregulation, and slash the trade surplus," Hosokawa said at a plenary session of the House of Representatives.

"Japan has been asked to play a more positive role as the Uruguay Round of trade talks has concluded and the world is shifting to new trade rules," he said at the start of a three-day question-and- answer session at the Diet.

Hosokawa was responding to Yohei Kono, president of the main opposition Liberal Democratic Party (LDP), who said that Hosokawa's seven-month-old coalition government has completed its mission.

Kono criticized Hosokawa for delaying compilation of the fiscal 1994 budget to this year, scuttling a "national welfare tax" scheme, failing to reach an accord in framework trade talks with the United States and giving up a recent plan to reshape the cabinet.

"As a reason for reshuffling the cabinet, you said you'll establish an economic reform cabinet as political reform is nearly complete...(but) the failure of the cabinet shake-up means discarding the bid to promote economic reform," Kono said.

"Japanese society and the Japanese economy are facing historical turning points in every respect...The Hosokawa cabinet has finished its mission," Kono said.

Hosokawa rebutted Kono's remark, saying "the historical change of society and the economy need a new political power and the reason for the birth of the coalition government lies there. The Japanese people expect the coalition government to carry out its mission to implement a comprehensive economic reform."

Hosokawa launched the seven-party coalition government last August after dislodging the LDP from a 38-year-long grip on power.

Asked how to improve strained economic relations with the U.S., Hosokawa reaffirmed Japan's commitment to further opening its markets to U.S. firms even though the summit talks with President Bill Clinton early last month failed and led to the reinstatement of the "Super 301" trade provision that gives the U.S. Government broad powers to impose sanctions.

The government "is doing its utmost to draw up voluntary measures within March to further open the country's markets," Hosokawa said.

He also reiterated Japan's opposition to setting numerical targets to measure the penetration of imports into the Japanese market, saying "it will be against deregulation to force firms to set numerical targets."

The premier also said the sagging economy will be back on recovery during fiscal 1994.

On the North Korean nuclear issue, Hosokawa echoed Kono, who said Japan should deal with the matter in cooperation with the U.S. while taking into account the views of South Korea and China.

Hosokawa also expressed his intention to continue efforts to resume the stalled negotiations with Pyongyang aimed at establishing diplomatic ties. The negotiations hit deadlock in November 1992, when North Korea walked out over a dispute on the alleged abduction of a Japanese woman by Pyongyang.

On political realignment, Hosokawa reiterated his initial stand that political parties would be absorbed into a moderate multiparty system after several elections, thus denying recent speculation that he is tilting heavily in favor of a two-party system advocated by the coalition's core party Shinseito [Japan Renewal Party] and Komeito.

Confidence Among Smaller Firms Reportedly Slumps

OW0303085294 Tokyo KYODO in English 0709 GMT 3 Mar 94

[Text] Tokyo, March 3 KYODO—Confidence in the economy among Japan's small and medium-sized businesses slumped in February for the 40th straight month, Shoko Chukin Bank said Thursday [3 March]. The bank's survey of 800 companies produced an index reading of 43.9, up a tiny 0.4 point from January but staying below 50, the dividing line between an improvement or a decline in confidence.

Although it was the second month of modest improvement in still-depressed sentiment, the survey shows that the pace toward recovery continues to drag, said the bank, a quasigovernmental institution geared toward smaller firms.

Sales fell 4.3 percent last month from a year earlier, widening from the previous February's 2.5 percent year-on-year sales slump, according to the survey, taken in mid-February.

More companies continued to say sales prices were falling and to predict another fall in March. As a result, companies reporting worsening profitability and financing continued to predominate.

The survey's profitability index, measuring the percentage citing improvement minus that saying things are worsening, was a minus 12.1, slightly better than the minus 12.5 percent of January, with a minus 9.3 forecast for March.

The financing index was minus 5.9, slipping from January's minus 5.8, with a March forecast of minus 5.0.

Companies continued to report stock and employment excesses. The product inventory index, in which a minus reading indicates a surplus, worsened to minus 13.6 from minus 12.2, with a March forecast of minus 10.0. The employment index improved to minus 4.0 from minus 5.9, with a March forecast of minus 3.9.

Advisory Panel To Upgrade Energy Demand Outlook

OW0203132894 Tokyo KYODO in English 1238 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—A government advisory panel said Wednesday [2 March] it will revise its long-term domestic energy demand-supply outlook because the nation's energy consumption is growing at a faster pace than the panel previously projected. The advisory committee for energy, a panel of the Ministry of International Trade and Industry, said the existing projection, worked out in June 1990, will be replaced in May by new forecasts for 2000 and 2010.

The group said energy consumption has been expanding at a faster pace than it projected while supply growth is expected to remain slow. The panel said the prospect for energy supply is dim because the development of alternate energy sources has become stagnant and the construction of new nuclear power plants has been hampered due to difficulty in finding construction sites.

The current outlook puts an annual average increase of Japan's energy consumption at 1.6 percent toward the year 2000. The panel said domestic consumption, which bloated during the "bubble economy," continued to rise at an average rate of over 3 percent despite the recession.

It also noted that Japan's dependence on crude oil has not declined as expected because of low oil prices.

The committee said the new outlook will incorporate a plan to promote the use of alternate energy sources which discharge lower levels of carbon dioxide than fossil fuels to meet the government-set goal for per-capita CO2 emissions.

Steel Exports Increase 20.6 Percent in Jan

OW0303100394 Tokyo KYODO in English 0804 GMT 3 Mar 94

[Text] Tokyo, March 3 KYODO—Japan's steel exports in January rose 20.6 percent from a year earlier to 1,495,000 tons, an industry association reported Thursday [3 March]. The exports, however, fell 33.1 percent from the previous month, the Japan Iron and Steel Federation said.

January exports were valued at 961.66 million dollars, up 7.1 percent from a year earlier, or 107.6 billion yen, down 4.0 percent. The yen value posted the sixth consecutive year-on-year fall.

Exports to South Korea surged 186.8 percent to 258,000 tons, due to increased pig iron exports, surpassing those to China.

Exports to China totaled 232,000 tons, up 4.2 percent, Taiwan 192,000 tons, up 17.2 percent, and the United States 164,000 tons, up 43.9 percent.

The federation said imports of ordinary steel in January fell 5.1 percent from a year earlier to 470,000 tons for the fifth consecutive year-on-year decline.

Lead, Zinc Industry Designated 'Slump-Hit'

OW0403013494 Tokyo KYODO in English 0048 GMT 4 Mar 94

[Text] Tokyo, March 4 KYODO—The government decided on Friday [4 March] to designate the lead and zinc mining and smelting industry as a recession-hit industry eligible for government subsidies from March 9, 1994 until June 30, 1995.

The industry is now in serious recession as a result of reduced demand from the automobile and steel industries and the yen's appreciation.

When a certain industry is designated as a specific slump-hit enterprise, businesses in the industry will be given subsidies, to help them take steps to prevent unemployment and help workers laid off find new employment.

Industry To Continue Muse System for HDTV

OW0303090894 Tokyo KYODO in English 0720 GMT 3 Mar 94

[Text] Tokyo, March 3 KYODO—Japan's electronics industry leader said Thursday [3 March] it will continue using the muse system for its high-definition television (HDTV) system for the 21st century.

Tadahiro Sekimoto, chairman of the Electronic Industries Association of Japan, said, "Japan's muse system has been completed and we have no idea of giving up the HDTV system."

Sekimoto's comment was in response to the recent widespread misunderstanding that the muse system may be replaced by the "MPEG" system of the United States. The view was triggered by a posts ministry official's remark in February discussing the digital and analog formats for the future HDTV system in Japan.

"Analog-or-digital discussion is nonsense. That is based on lack of technological knowledge. In the core part of the muse, signals are digitally processed and the data can be output digitally," Sekimoto said.

Sekimoto, also president of NEC Corp., made the remarks at a press conference.

Even in an era of multimedia, which need to digitally operate data via optical networks, the muse system will be fully applicable to the next generation high-tech world, Sekimoto said.

For instance, Japanese manufacturers have already developed a digital videocassette tape recorder for the muse-HDTV set, Sekimoto said.

North Korea

Foreign Ministry Comments on Envoy Exchange

SK0503023894 Seoul YONHAP in English 0228 GMT 5 Mar 94

[Text] Seoul, March 5 (YONHAP)—South Korea brushed aside the communist North's claim Saturday [day as received] that an inter- Korean envoy exchange is not required for a third round of Pyongyang-Washington high-level talks.

"This was something we expected (North Korea to do)," Chang Chae-yong, director-general of American Affairs at the Foreign Ministry, said in reaction.

"We don't feel the need to say anything about it. We have to wait and see," Chang said.

North Korean first Vice Foreign Minister Kang Sok-chu said the envoy exchange is not part of the agreed preconditions for the high-level talks, slated for March 21 in Geneva.

Seoul, Pyongyang and Washington announced a set of joint measures this week after North Korea allowed entry by a team of International Atomic Energy Agency (IAEA) inspectors. But Washington made a separate announcement that while the date for the high-level negotiations has been set, successful IAEA inspections and an inter-Korean presidential envoy exchange are two prerequisites.

"North Korea agreed that Washington would make this separate announcement," Chang said.

U.S.-ROK Decision on 'Team Spirit' Reported

SK0503230294 Pyongyang Korean Central Broadcasting Network in Korean 2113 GMT 5 Mar 94

[Text] The United States and South Korea have agreed to suspend the 1994 Team Spirit joint military exercise.

As has already been reported, the DPRK-U.S. agreement reached in New York prescribes that the United States will announce that South Korea agrees to suspend the 1994 Team Spirit joint military exercise. [sentence as heard]

According to reports, the United States and South Korea have officially announced that the two sides, in conformity with the agreement, have agreed on the suspension of the Team Spirit 1994 joint military exercise.

The South Korean Defense Ministry announced on 3 March that it will discontinue the Team Spirit 1994 joint military exercise.

On the same day, a spokesman for the U.S. State Department also announced that the United States has agreed with South Korea's decision to cancel the 1994 Team Spirit joint military exercise.

KCNA Reports Suspension of Exercise

SK0603084494 Pyongyang KCNA in English 0816 GMT 6 Mar 94

[Text] Pyongyang, March 6 (KCNA)—The United States and the South Korean authorities formally announced that they decided to suspend the Team Spirit joint military maneuvers in 1994, according to the agreement reached at the DPRK-U.S. contact in New York, news reports said.

The "defence ministry" of South Korea in a statement Thursday said it would suspend the Team Spirit 94.

On the same day, the spokesman of the U.S. State Department announced that the United States agreed to suspend the joint military maneuvers with South Korea.

U.S. Announcement of DPRK-U.S. Talks Reported

SK0503230894 Pyongyang Korean Central Broadcasting Network in Korean 2115 GMT 5 Mar 94

[Text] The U.S. State Department has released a statement regarding a third round of DPRK-U.S. talks.

According to foreign media reports, U.S. Secretary of State Christopher on 3 March officially announced that the third round of DPRK-U.S. talks will take place in Geneva on 21 March, as has been agreed between the United States and the DPRK.

On the same day, a spokesman for the U.S. State Department issued a statement that Robert Gallucci, assistant secretary of state for political and military affairs, will head the U.S. delegation.

KCNA Cites U.S. Statement

SK0603084694 Pyongyang KCNA in English 0818 GMT 6 Mar 94

[Text] Pyongyang, March 6 (KCNA)—U.S. Secretary of state Warren Christopher was reported Thursday [3 March] to formally announce that the third round of DPRK-U.S. talks will be held in Geneva on March 21 as agreed between the two countries.

Robert Gallucci, U.S. assistant secretary of state, will head the U.S. delegation to the third round negotiation, the State Department spokesman said in a statement on March 3.

Paper Views Preconditions for Inspections

SK0703050794 Pyongyang KCNA in English 0459 GMT 7 Mar 94

[Text] Pyongyang, March 7 (KCNA)—If the United States lays obstacle to the complete implementation of the agreement reached at the DPRK-USA contact in New York and create artificial difficulties in the way of the talks by bringing forward such a precondition as the exchange of special envoys between the North and South of Korea in the future, it will reveal its intention not to resolve the nuclear issue on the Korean peninsula, stresses NODONG SINMUN in a signed commentary Monday.

At a time when the agreed conclusions of the DPRK-USA contact in New York have begun to be implemented, the United States intends to set the exchange of special envoys between the North and South of Korea and the inspection by the IAEA [International Atomic Energy Agency] as preconditions of the suspension of the "Team Spirit 94" joint manoeuvres and the opening of the third round of the DPRK-USA talks, the analyst says, and continues: This makes us doubt whether it has the willingness to fully implement the conclusions or not.

The stand of the United States that it will take an action only when the other side acts first, shows that it seeks a solution to the issue from the position of strength. This will only bring difficulties to the solution of the issue.

Whether the issue is solved or not depends on how sincerely the United States, a dialogue partner, work to implement its commitments.

Of importance here is for the United States to strictly observe the principle of the joint statement between the DPRK and the United States and renounce the attitude and stand to set preconditions, persisting only in its assertions. Such attitude and stand are only harmful to the solution of the nuclear issue on the Korean peninsula.

The United States must show in deeds its sincerity and willingness to solve the issue as a partner of the dialogue.

U.S.-ROK 'Military Provocations' Reported

SK0603084294 Pyongyang KCNA in English 0806 GMT 6 Mar 94

[Text] Pyongyang, March 6 (KCNA)—The U.S. imperialists on March 4 committed photographing and eletronic espionage on the in-depth areas of the northern half of Korea in the sky above the Military Demarcation Line with "RC-135" strategical reconnaissance plane from Okinawa base in Japan, according to a military source.

On the same day, a "P-3" anti-submarine plane staged an exercise for striking submarines with mines, torpedoes and depth bombs in the sky above the East Sea of South Korea [Sea of Japan] under the support of formations of pursuit planes.

Armed bandits of the puppet army took the combat positions in Chorwon county, South Korean Kangwon Province and staged a military rehearsal near the demilitarized zone, firing bullets and shells.

This is part of premeditated military provocations of the U.S. imperialists and the South Korean puppets to bring the situation on the Korean peninsula to an extreme pitch of strain.

Radio Reports Hubbard's Remarks on ROK's NSL

SK0403231894 Pyongyang Korean Central Broadcasting Network in Korean 2215 GMT 4 Mar 94

[Text] According to the South Korean Munhwa Broadcast Network, U.S. Secretary of State Warren Christopher confirmed that the demand on the abolition of South Korea's National Security Law [NSL] is a U.S. official position—not that of an individual person. In response to a question, he clarified that the United States will advice [chongyong] South Korea to repeal the NSL, even though it is a touchy issue. He added that the reason for such a U.S. demand is the possibility that the law might be abused.

The final confirmation by the U.S. secretary of state came after the puppet Foreign Ministry's announcement that Deputy Assistant Secretary of State Hubbard's comment was his own personal view, not a U.S. official position.

KCNA Cites Christopher on Law

SK0503042994 Pyongyang KCNA in English 0422 GMT 5 Mar 94

[Text] Pyongyang, March 5 (KCNA)—U.S. Secretary of State Christopher finally confirmed that the demand for the repeal of the "National Security Law" [NSL] in South Korea is not a personal opinion but an official stand of the United States, the Munhwa Broadcasting Corporation (MBC) of South Korea reported.

Answering a question put by the MBC on the evening of March 3, he made it clear that, although the repeal of the controversial "National Security Law" of South Korea was a sensitive matter, the U.S. Government would persuade South Korea to repeal it.

He added that this demand of the United States to South Korea was motivated by its fear that the "National Security Law" might be abused.

This final confirmation of the U.S. State secretary came shortly after the South Korean puppet Foreign Ministry announced on March 3 that the remarks of U.S. Deputy Assistant Secretary of State Hubbard urging the repeal of the "National Security Law" in South Korea had "turned out" to be an "expression of his personal hope", not the official position of the United States.

Koreans in Japan Demand Repeal of Security Law

SK0603085294 Pyongyang KCNA in English 0809 GMT 6 Mar 94

[Text] Tokyo, March 4 (KNS-KCNA)—The Federation of South Koreans in Japan for Democracy and Unification (Hantongnyon) made public a statement on March 3 as regards the demand of the U.S. authorities for the repeal of the "National Security Law" (NSL) in South Korea.

The statement branded the "NSL" as an anti-democratic, anti-reunification evil law defining the North and the anti-"government" forces in the South and overseas as "enemies" and totally blocking human rights, democracy and national reunification and as an evil law infringing upon basic rights of the people including conscience and the freedom of ideology and the freedom of speech, the press and association.

The attempts to keep the "NSL" only reveal the anti-national nature of the present "regime" which is turning a deaf ear to the demands of the people and scheming to perpetuate the division, the statement said. It repeatedly and strongly urged the Kim Yong-sam puppet authorities to abrogate the law.

ROK Student Arrested Under Security Law

SK0603085694 Pyongyang KCNA in English 0812 GMT 6 Mar 94

[Text] Pyongyang, March 6 (KCNA)—The Kim Yong-sam group arrested Kim Sang-kyu, former chairman of the General Student Council of the Suwon branch of Kyonghui University, on March 3 by invoking the "National Security Law", a fascist and anti-reunification law, according to a radio report from Seoul.

The fascist clique detained him for the reason that he was involved in the Seoul sponsorship of the pan-national rally at Hanyang University in August last year and the first meeting of co-chairmen of the National Alliance of youth and students for the country's reunification over the international telephone.

His righteous behaviour to contribute even a little to ending the tragedy of national division spanning nearly half a century and attaining national unity and the reunification of the country cannot be a crime.

Paper Details Kim Yong-sam 'Irregularities'

SK0703051194 Pyongyang KCNA in English 0503 GMT 7 Mar 94

[Text] Pyongyang, march 7 (KCNA)—It is inevitable in South Korea that the politicians become corrupt and irregularities prevail in society as the traitor Kim Yong-sam himself is engaged in irregularities. This is a proof that the days of the "civilian government" are numbered, declares NODONG SINMUN today.

The news analyst says:

It has recently been brought to light that the traitor Kim Yong-sam at the time of the "presidential inauguration" last year manipulated the "Ministry of Health and Social Affairs" to buy toothpaste and other goods with the "money donated for helping poor neighbours" and distribute them as "gifts." It was also exposed that officials of the puppet Defence Ministry built the "defence hall" equipped with deluxe amusement facilities with the money squeezed from the people including primary school children allegedly for the sake of "defence" and indulged in luxury.

Scandals of the puppet Home Ministry and many other units are reported one after the other.

The traitor Kim Yong-sam's advertisement of "clean politics" is being shattered.

In fact, the "civilian government" is the hotbed of irregularities, outdistancing the "Fifth and Sixth Republics."

This shows the puppets are engaged in irregularities and encouraging them behind the facade of "reforms."

Daily Decries Kim Yong-sam's 3 Mar Remarks

SK0603085494 Pyongyang KCNA in English 0826 GMT 6 Mar 94

["MINJU CHOSON Denounces Traitor Kim Yong-sam's Outcry"—KCNA headline]

[Text] Pyongyang, March 6 (KCNA)—The traitor Kim Yong-sam in an interview with a reporter of the "Korea Broadcasting System" on March 3 cried that they could not take an "optimistic view" of the "nuclear issue of the North" or "nothing could be solved" without their presence. Commenting on this, MINJU CHOSON in a by-lined commentary says it is the scream of a fool reckless of his position.

The paper continues:

With the agreement on four immediate steps of simultaneous action for a package solution of the nuclear issue at the DPRK-USA contact in New York, a prospect that the peaceful solution process of the nuclear issue may be again on the right orbit has opened.

The traitor Kim Yong-sam is trying to get rid of his secluded position by excusing himself for failing to participate in the DPRK-USA talks for a resolution to the nuclear issue. However, his attempt only betrays his ignorance of the outbreak of the nuclear issue of the Korean peninsula and the way of its solution.

For a peaceful solution of the nuclear issue as well as improvement of the North-South relations, such a fool as the traitor Kim Yong-sam must be removed without delay.

Kim Yong-sam Urged To Stop Dumping Waste

SK0503045894 Pyongyang KCNA in English 0441 GMT 5 Mar 94

[Text] Pyongyang, March 5 (KCNA)—NODONG SINMUN and MINJU CHOSON today demand that the Kim Yong-sam group immediately make public the amount and kinds of nuclear waste dumpted into the sea and the dumping places and apologize to the whole nation and promptly stop such an act.

As already exposed, the nuclear waste dumpted into the sea by the South Korean rulers in seven years from 1986 to 1992 amounts to 11,000 trillion becquerels.

Noting that this act of the South Korean authorities is a never-to-be-condoned crime endangering the existence of the nation and destroying the ecological environments of the nature, a NODONG SINMUN analyst says:

Their dumping of nuclear waste into the sea is an anti-national criminal act of turning the Korean peninsula and the seas around it into a nuclear-polluted waste region. And this is a gross violation of the international law and accord.

The nuclear waste dumping by the South Korean puppets is unthinkable apart from their feverish nuclear arms development.

Their nuclear armament which has been accelerated from the early 70's is now entering a very dangerous stage. The puppets have played the role of a shock brigade in the "nuclear" racket kicked up by the international reactionaries to isolate and stifle the Democratic People's Republic of Korea, charging it with its "nuclear issue." This is chiefly aimed at stepping up their criminal nuclear development behind the scene.

With the Kim Yong-sam puppet clique left alone, it is impossible to prevent the devastation of the land and seas and protect the nation from a nuclear disaster, let alone independence, democracy and reunification.

A MINJU CHOSON analyst warns that if the South Korean puppets push ahead with nuclear development, continuing nuclear waste dumping into the sea, they will face a stern judgement by the nation and mankind.

Reunification Group Plans To Expand Units

SK0603083894 Pyongyang KCNA in English 0803 GMT 6 Mar 94

["Pomminnyon Will Be Defended, Says Chairman of Preparatory Committee for Formation of South Side Headquarters of Pomminnyon"—KCNA headline]

[Text] Pyongyang, March 6 (KCNA)—Kang Hui-nam, chairman of the Preparatory Committee for the Formation of the South Side Headquarters of the National Alliance for the Country's Reunification (Pomminnyon), in an interview with the magazine MAL declared that they would defend Pomminnyon even under any suppression, according to KNS from Tokyo.

He announced the plan to expand organisations under Pomminnyon in different parts of South Korea.

The "reunification policy" of the Kim Yong-sam "regime" is little different from that of the preceding military "regimes", he said.

Paper Stresses 'Checking Japan's Nuclear Armament'

SK0503104394 Pyongyang KCNA in English 1012 GMT 5 Mar 94

["NODONG SINMUN Calls for Halt to Japan's Nuclear Armament"—KCNA headline]

[Text] Pyongyang, March 5 (KCNA)—To hold in check Japan's nuclear armament is an urgent matter related to the existence of mankind, says NODONG SINMUN today.

The analyst says:

Japan plans to put into operation Monju, its first fast breeder reactor, in the near future. This is its open scheme to produce nuclear weapons any time by securing large quantities of plutonium by itself.

Japan has already stockpiled 26 tons of plutonium and developed the electronic destructive device and other devices and technology of atomic bombs and even means of long-range nuclear delivery.

The promotion of Japan's nuclear armament in full scale with the connivance of the West is, in actuality, a matter which must be taken most seriously in the world at present.

This is, first of all, because Japan's nuclear armament is an undisguised challenge to the desire of mankind to live in a peaceful world without nuclear threat and is a big obstacle to the building of a nuclear-free, peaceful world.

Checking Japan's nuclear armament has become an urgent matter also because the Japanese reactionaries are attempting to gratify their dominationist ambition with nuclear weapons.

In Japan today, revanchism for revenging Japan's defeat in the past has raised its head and ultra-nationalism, a reactionary ideological trend which had constituted the ideological basis of Japanese militarism, is being openly fostered.

It is not difficult to imagine the grave consequences that would be entailed by the nuclear armament of Japan upon the cause of peace in Asia and the world.

The main target of the nuclear threat from Japan is, needless to say, our country and other Asian countries. The Japanese reactionary ruling circles are revealing their aggressive designs on our country more openly.

The world people who love peace must join in the struggle to frustrate Japan's nuclear armament.

Spokesman on Japan's Remarks on Nuclear Issue

SK0703052194 Pyongyang KCNA in English 0513 GMT 7 Mar 94

["DPRK Foreign Ministry Spokesman Denounces Japanese Reactionaries' Row Over 'Nuclear Problem'"—KCNA headline]

[Text] Pyongyang, March 7 (KCNA)—A spokesman for the DPRK Foreign Ministry answered a question of KCNA today concerning the spiteful hullabaloo of the Japanese authorities over the "nuclear issue" of the DPRK.

He told KCNA:

The third round of DPRK-U.S. talks is to open before long as a series of controversial matters between the DPRK and the United States including the "nuclear issue" have been coordinated. Japanese politicians including the high-level authorities, however, are slandering the DPRK, urging it to accept "special inspection." They seek in this to instigate the hardline conservatives of the United States to lay obstacles in the way of the DPRK-U.S. talks and attain their sinister political and military purposes.

We cannot but watch with vigilance the attempt of the high-placed officials of Japan to impede the settlement of the "nuclear issue" with rash acts against the DPRK and find a pretext for a lawful promotion of their nuclear armament, which has reached the danger line.

If Japan arms itself with nuclear weapons, the denuclearization of Northeast Asia cannot be realised, the inter-Korean joint declaration on denuclearization will be invalid and the denuclearization of the Korean peninsula will be virtually meaningless.

If Northeast Asia including the Korean peninsula is to be nuclear-free, not only Asia but also the world must pay due attention to Japan which is accelerating nuclear armament.

The denuclearization of Northeast Asia should lead to the total abolition of nuclear weapons worldwide.

KCNA Urges Japan To Give Up 'Nuclear Design'

SK0703104194 Pyongyang KCNA in English 1031 GMT 7 Mar 94

["Japan Must Give Up Nuclear Design"—KCNA headline]

[Text] Pyongyang, March 7 (KCNA)—As plutonium fully enough for Monju, a fast breeder reactor built in Tsuruga city, Fukui Prefecture, has been transported, it will shortly be put into operation, NHK reported recently.

This is part of Japan's undisguised intention to produce nuclear weapons any time by securing large quantities of plutonium by itself, and thus become a nuclear power.

The annual capacity of Japan's reprocessing factories is 800 tons, largest in the world. Japan has reportedly stockpiled 26 tons of plutonium and will secure 100 tons by 2010. This amount is enough to make far more than 10,000 nuclear bombs.

Japan, which has already been possessed of electronic destructive device and other devices and technology of nuclear bombs, developed in February this year even long-range, large roket H-2 which can be used as intercontinental ballistic missile.

The facts show that Japan's nuclear armament has reached a danger line.

With the nuclear armament being accelerated in real earnest in Japan, a neighbour of the Korean peninsula, we cannot but cope with such a situation with vigilance.

The accelerated nuclear armament of Japan throws a snag in the way of the denuclearization of the Korean peninsula.

The Japanese reactionaries must give up their criminal nuclear design, clearly mindful of the grave consequences to be entailed by their moves to turn Japan into a nuclear power.

Workers Party Delegation Departs for SRV, Laos

SK0503110394 Pyongyang KCNA in English 1015 GMT 5 Mar 94

[Text] Pyongyang, March 5 (KCNA)—A delegation of the Workers' Party of Korea led by secretary of the WPK Central Committee Hwang Chang-yop left here today to visit Vietnam and Laos.

It was seen off at the airport by vice-director of a department of the C.C. [Central Committee], the WPK Kim Yang-kon, Vietnamese Ambassador to Korea Duong Chinh Thuc and Chinese Ambassador Qiao Zonghuai.

Kim Il-song Sends Message to President of Ghana

SK0503105594 Pyongyang KCNA in English 1014 GMT 5 Mar 94

[Text] Pyongyang, March 5 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea Friday [4 March] sent a message of greetings to Ghanaian President Jerry John Rawlings on the occasion of the 37th anniversary of the independence of Ghana.

He wished the Ghanaian president and people success in the efforts for the stability and prosperity of the country.

He also expressed the belief that the friendly and cooperative relations between Korea and Ghana would further develop in the common interests of the two peoples.

Papers Mark Ghanaian Independence

SK0603090994 Pyongyang KCNA in English 0815 GMT 6 Mar 94

[Text] Pyongyang, March 6 (KCNA)—Papers here today dedicate signed articles to the 37th anniversary of the independence of Ghana.

The Ghanaian people, who achieved the independence of the country on March 6, 1957, have striven to consolidate national independence and achieve the prosperity of the country, MINJU CHOSON in an article says, and continues:

The Ghanaian Government, pursuing the non-alignment policy externally, is making efforts to establish a new fair international order against imperialism, colonialism and racism.

Korea and Ghana are far away from each other geographically, but the two governments and peoples established and have long developed the relations of friendship and cooperation.

The Korean people, believing that the friendly and cooperative relations between the two countries will further strengthen in the future, sincerely wish the Ghanaian people greater success in their work to develop the economy and build a peaceful and stable country.

Kim Il-song Greets St. Vincent's Prime Minister

SK0503045494 Pyongyang KCNA in English 0424 GMT 5 Mar 94

[Text] Pyongyang, March 5 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea Friday [4 March] sent a message of greetings to James Fitz Allen Mitchell upon his reassumption of office as prime minister of Saint Vincent and the Grenadines.

President Kim Il-song in the message wished the prime minister great success in his work for national unity and the country's prosperity, expressing the belief that the friendly relations between the two countries will continue to develop on good terms.

Kim Chong-il Receives Gifts on Birthday

SK0503045394 Pyongyang KCNA in English 0418 GMT 5 Mar 94

[Text] Pyongyang, March 5 (KCNA)—The dear leader Comrade Kim Chong-il received gifts on his birthday from the Portuguese Central Committee for the Study of Kimilsongism, director of the Universal Logistix Comany of Peru Alberto Arrospide, professor of sociology of the Inca Garcilaso de la Vega University of Peru Roberto Tara, chairman of the International Study Center for Chuche-Oriented Mass Media in Nepal Purna Chandra Sharma, the general director of the Polish "Intermont Group" of the International Construction Company and the head of the Polish "Intermont Group" branch in Germany and the general secretary of the All India Indo-Korean Friendship Association.

The gifts were handed to the DPRK ambassadors to the relevant countries and an official concerned.

Kim Chong-il Names Son of Palestinian Official

SK0603090794 Pyongyang KCNA in English 0822 GMT 6 Mar 94

[Text] Pyongyang, March 6 (KCNA)—A son of Jihad al-Araj, third secretary of the Palestinian embassy here, was born at the Pyongyang maternity hospital on February 16.

Mr. and Mrs. Araj wrote a letter to the dear leader Comrade Kim Chong-il, asking him to give a name to their second child born at the Pyongyang maternity hospital.

Upon receiving the letter, Comrade Kim Chong-il named the baby "Solmae," wishing him to grow in good health with a strong will and principle unyielding to any adversity.

A ceremony took place at the Palestinian embassy Saturday to convey the loving care of Comrade Kim Chong-il for Solmae.

A souvenir sent by Comrade Kim Chong-il was handed to the parents of Solmae amid a loud applause of the participants.

Addressing the ceremony, the Palestinian ambassador expressed heartfelt thanks to his excellency the dear leader Kim Chong-il, who had once named a Palestinian girl "Jindallae," for naming the baby Solmae this time.

The father of Solmae spoke next.

Noting that his excellency Kim Chong-il with extraordinary leadership ability gave a name to his son, he said this greatly encourages the fighting Palestinian people. He vowed to fight with strong will and braveness for the victory of the common cause of Palestine and Korea.

He said he would bring up Solmae to be strong as wished by his excellency the dear leader Kim Chong-il.

He asked a Korean official concerned to convey a gift carrying his family's best wishes for longevity to his excellency Kim Chong- il.

Premier Sends Message to Bulgarian Counterpart

SK0503090394 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 3 March 94

[Text] Comrade Kang Song-san, premier of the Administration Council, sent a congratulatory message to Bulgarian Prime Minister Lyuben Berov. The congratulatory message says that it sends enthusiastic congratulations on the occasion of the Republic of Bulgaria's national holiday and that it hopes for the prosperity of the Republic of Bulgaria.

Cuban Ambassador, Foreign Visitors Leave Pyongyang

SK0503084494

[Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean at 1300 GMT on 1 March reports on departures of foreign officials who were in Pyongyang.

Ho Chong-man, responsible vice chairman of the Central Standing Committee of the General Association of Koreans Residing in Japan, left Pyongyang on 1 March by plane after visiting the DPRK. Workers Party of Korea Central Committee Secretary Kim Yong-sun and other functionaries concerned bade him farewell at the airport.

Juan Jose Leon Vega, Cuban ambassador to the DPRK, returned home on 1 March by plane after being summoned from Cuba.

(Jean Carlos Elia Valori), general secretary of the Italian Institute for the Study of International Relations, returned home on 1 March by plane.

New Cuban Ambassador Arrives

SK0703053794 Pyongyang KCNA in English 0454 GMT 7 Mar 94

[Text] Pyongyang, March 7 (KCNA)—Jose Ramon Rodriguez Varona, new Cuban ambassador E.P. [extraordinary and plenipoteniary] to Korea, arrived in Pyongyang Sunday.

Iranian Paper Says Pressure on DPRK 'Impotent'

SK0703104894 Pyongyang KCNA in English 1008 GMT 7 Mar 94

["'Secret of North Korea'"—KCNA headline]

[Text] Pyongyang, March 7 (KCNA)—The Iranian paper KAYHAN INTERNATIONAL on February 14 pointed to the secret to the powerful existence of North Korea under the complicated international political situation.

The secret is in the great politics of President Kim Il-song, the paper said, and went on: He is the great politician who won victory in the struggle against Japan and the United States and the leader of people who enjoys the firm support of the popular masses.

President Kim Il-song has devoted his all to the freedom and liberation of people.

Pressure and "sanction" on North Korea are impotent.

Arab Region Committee Supports Hanminjon

SK0403233194 Pyongyang KCNA in English 1459 GMT 4 Mar 94

[Text] Pyongyang, March 4 (KCNA)—The solidarity committee of political parties and fronts in the Arab region for supporting the struggle of the South Korean National Democratic Front (Hanminjon) and the South Korean people in its recent statement expressed support to the struggle of the South Korean people for independence, democracy and reunification.

The statement pungently denounced the moves of the traitor Kim Yong-sam in seeking dependence, fascism, nuclear war and permanent division, not independence and democracy, peace and reunification, as unpardonable criminal acts challenging the aspiration of the South Korean people and the trend of the times.

"We will stand firmly on the side of Hanminjon and the South Korean people who are intensifying the movement for the overthrow of the Kim Yong-sam regime, expulsion of the U.S Forces and reunification, upholding '10-point programme of the great unity of the whole nation for the reunification of the country' and extend positive support and solidarity for their cause of independence, democracy and reunification," the statement said.

Kim Chong-il Attends Army Song, Dance Show

SK0603132294 Pyongyang Korean Central Broadcasting Network in Korean 1108 GMT 6 Mar 94

[Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], watched the overall song and dance performance by the artists of the KPA entertainment group.

Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the KPA, watched the overall song and dance performance by the artists of the KPA entertainment group on 5 March.

Comrade Kye Ung-tae, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and secretary of the party Central Committee; Comrades Kim Chung-nin, Kim Ki-nam, Kim Kuk-tae, and Kim Yong-sun, secretaries of the party Central Committee; and responsible functionaries of the party Central Committee and the field of press and publication were on hand.

The performance began with the orchestral music and chorus of "The Sound of Horses Hooves at Mt. Paektu." Various performances were presented such as the dance, "The Palanquin Carriage Is Running," and "The Final Showdown;" a mixed vocal duet, "Love of Officers and Men Which Is Blossoming Along the Marching Road;" a men's chorus, "We Will Deeply Bear in Our Hearts the Red Certification of the Party;" and a solo and kayagum [a Korean instrument with 12 strings] ensemble, "It Is a Paradise of Hope at Which the Whole World Is Looking."

In May 1992, the creators and artists of the KPA entertainment group highly upheld the militant task presented by the supreme comrade commander and brought about a new turning point in the artistic creation work. Therefore, they were able to present on stage magnificent artistic works that greatly contribute to indoctrinating the people and soldiers of the People's Army in a revolutionary way.

After watching the performance, Supreme Commander Comrade Kim Chong-il expressed great satisfaction over the fact that the creators and artists of the entertainment group were able to create and perform revolutionary and militant art works which are of high ideological and artistic spirit. He highly assessed their results, and gave them a thank-you message of the party Central Military Commission and the KPA supreme commander.

The Supreme Commander Comrade Kim Chong-il said that all performances that were put on stage are very good works that are in accordance with the character of the military and in conformity with the demand of the era. He pointed out that the performance by the entertainment group is giving great faith and courage to our people and soldiers of the People's Army due to its militant spirit and strong appeal.

The Supreme Commander Comrade Kim Chong-il said all art works including songs and dances well reflected the courage, wisdom, and revolutionary spirit of our People's Army, which is the party's army, a revolutionary army armored to uphold the party and the leader, defend socialism, and complete the socialist cause. He showed his satisfaction that the People's Army entertainment group has created many revolutionary and combat-oriented art works and successfully fulfilled its fundamental duty of indoctrinating the soldiers of the People's Army to devotedly serve for the party and the leader, and for the fatherland and the people with the self-consciousness of defenders of the party and revolution.

The Supreme Commander Comrade Kim Chong-il said the KPA entertainment group, a combat art unit of our revolutionary armed forces, should continue its effort in artistic activities for the revolutionary and combat indoctrination for the soldiers and concretely set forth creative directions to serve as the guidelines for artistic creative works. The Supreme Commander Comrade Kim Chong-il said it is important that the People's Army entertainment group well reflects in the art works the great political and ideological aspects and invincible might of the soldiers of the People's Army, who are strongly guaranteeing our party's revolutionary cause with armed forces firmly united around the party and the leader.

The Supreme Commander Comrade Kim Chong-il said to vividly show the soldiers' life, as did in the show, is a very important question in creative works and pointed out that the entertainment group should well describe the lofty spiritual world of the soldiers of the People's Army and how they struggle, including their loyalty toward the party and the leader, their spirit of devotion to serve the fatherland and the people, indomitable revolutionary spirit, and revolutionary comradely love.

The Supreme Commander Comrade Kim Chong-il pointed out that the People's Army entertainment group should keep its identity of being socialist, revolutionary, winning, grand, and magnificent not only in the contents but also in the format in conformity with its mission and duty as an art group which indoctrinates and serves the soldiers of the People's Army.

The Supreme Commander Comrade Kim Chong-il pointed out that as all art works created by the People's Army entertainment group should be perfect ideologically and artistically as they contribute to the indoctrination of the invincible revolutionary rank, a-match-for-a-hundred revolutionary fighters, and added that new orchestral music should be created in chuche-oriented and national format in conformity with the characteristics of the Army units.

The Supreme Commander Comrade Kim Chong-il said he firmly believes that the creators and artists of the People's Army entertainment group will actively contribute to our party's revolutionary cause by vigorously carrying out creative artistic activities that contribute to the indoctrination of the soldiers.

KCNA Notes Kim Chong-il's Attendance

SK0703045694 Pyongyang KCNA in English 0440 GMT 7 Mar 94

[Text] Pyongyang, March 7 (KCNA)—Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA], on March 5 saw a music and dance performance of the artistes of the song and dance ensemble of the Korean People's Army.

Appreciating the performance with him were Kye Ung-tae, member of the Political Bureau and secretary of the C.C. [Central Committee], the Workers' Party of Korea [WPK], Kim Chung-nin, Kim Ki-nam, Kim Kuk-tae and Kim Yong-sun, secretaries of the C.C., the WPK, and senior officials of the party Central Committee and of the press.

The orchestral music and chorus "The Sound of Horse's Hooves in Mt. Paektu" was the curtain-raiser of the colorful program which included the dances "The Kitchen Cajt Runs" and "The Final Decisive Battle," the mixed duet "Affection of Officer for his Men in a March," the men's group singing "We Will Keep the Red Party Card at Our Heart," and the solo and group singing to the accompaniment of Kayagum "The Paradise of Hope Focusing World's Attention."

After seeing the performance, Comrade Kim Chong-il noted with deep satisfaction that the creative workers and artistes of the ensemble created and performed revolutionary and militant stage works high in ideological and artistic plane and highly estimated their success and extended them thanks of the party central military commission and the Supreme Commander of the Korean People's Army.

He said that all the numbers of the program were very good works suited to the character of the Army and the demand of the times and that the performances of the ensemble gave deep confidence and courage to our people and People's Army soldiers for their militancy and strong appeal.

Noting that the songs, dances and all other works well showed the courage and resourcefulness and the revolutionary mettle of our People's Army, the Army of the party and the revolution, which upholds the party and the leader with arms, defends the socialist system with arms and is carrying the cause of socialism to completion with arms, he expressed satisfaction at the fact that the song and dance ensemble of the Korean People's Army was fulfilling with credit its basic duty to educate the People's Army soldiers to devotedly serve the party and the leader, the motherland and the people, conscious of its being the defender of the party and the guard of the revolution, by creating many revolutionary and militant stage works.

Saying that the KPA song and dance ensemble, the militant art unit of our revolutionary Armed Forces, must continue energetic art activities to educate soldiers in revolutionary and militant way, he indicated a concrete orientation of creation which would serve as the guideline in art creation.

He stressed that it is important for the ensemble to represent well in its stage works the great political and ideological features and invincible might of the People's Army soldiers who are firmly guaranteeing the revolutionary cause of our party with arms, united rock-firm behind the party and the leader.

Noting that it is a very important matter in creating works to vividly represent the life of soldiers as shown in the performance, he said that the ensemble must depict well the loyalty of soldiers to the party and the leader, and their spirit of devoted service for the motherland and people, indomitable revolutionary spirit and revolutionary comradeship and other noble mentality and combat features.

The ensemble must maintain its inherent style, socialist, revolutionary, militant, dignified and grandiose, not only in content but also in form to suit its mission and duty as an art organisation educating the People's Army soldiers and serving them, he said.

Saying that all the stage works created by the ensemble must be flawless ideologically and artistically as they contribute to educating the invincible revolutionary ranks, a-match-for-a-hundred revolutionary soldiers, he stressed that a new orchestral music, chuche-based and national in style, conforming to the character of the Army must be created.

Comrade Kim Chong-il expressed the belief that the creative workers and artistes of the People's Army song and dance ensemble would actively contribute to the accomplishment of the revolutionary cause of our party with its energetic creative activities conducive to the education of soldiers.

Kim Chong-il Provides Equipment for Food Factory

SK0503044794 Pyongyang KCNA in English 0416 GMT 5 Mar 94

[Text] Pyongyang, March 5 (KCNA)—The dear leader Comrade Kim Chong-il showed deep solicitude to the Pyongyang children's foodstuff factory for the rising generation.

He recently provided the factory with new conditions for the improvement of the quality of foodstuffs for children and increase the quantity at the factory.

After building the excellent production bases of foodstuffs for children in Pyongyang, he indicated long ago the orientation and way of supplying different kinds of foodstuffs good for the health and growth of children in large quantities, sent a lot of equipment to the factory and took measures for the production, management and operation of the factory.

Kim Chong-il's Economic Propaganda Work Noted

SK0703110894 Pyongyang KCNA in English 1018 GMT 7 Mar 94

["Vitality of Our Party's Policy of Economic Propaganda and Agitation"—KCNA headline]

[Text] Pyongyang, March 7 (KCNA)—NODONG SINMUN on March 6 dedicated an article to the 20th anniversary of the publication of the famous work of the dear leader Comrade Kim Chong-il "On Vigorously Conducting Economic Propaganda and Agitation" on March 7, 1974.

Recalling that Comrade Kim Chong-il in this work indicated a unique line of vigorously conducting economic propaganda and agitation on the basis of a scientific analysis of the realistic demand of socialist economic construction in our country and precious practical experience, the author of the article says:

The great vitality of our party's policy of economic propaganda and agitation lies, first of all, in that it has brought home to the party members and working people our party's chuche-based line of economic construction and economic policy and guided them to thoroughly defend and implement them.

The work contains the idea of energetically conducting the work of arming the party members and working masses with the party's line of building an independent national economy and its economic policy in each period.

The proud reality in which all people have turned out and are achieving new miracles and feats, upholding the revolutionary economic strategy setpforth by our party, is a precious fruition of the arming of the party members and working masses with the party's line of economic construction and economic policy.

The great vitality of our party's economic propaganda and agitation lies in that with the brisk progress of economic agitation, the revolutionary zeal and the creative ingenuity of the masses have been brought into full play in socialist economic construction.

The dear leader in the work indicated concrete tasks arising in vigorously conducting economic agitation on the basis of the success and experience already attained. What is important here is to concentrate economic agitation on the fulfilment of economic tasks set forth by the party and the leader in each time.

The great effect of economic agitation was demonstrated by the completion of such difficult and gigantic project as the West Sea barrage in a short time and construction of many monumental edifices including the May Day Stadium in a brief period.

With stress laid on enlisting the idea of people in economic agitation, a change has taken place in the work of remoulding their idea [word indistinct] construction.

Noting that the great vitality of our party's policy of economic propaganda and agitation also lies in the successful application of the anti-Japanese guerrilla-style propaganda and agitation, the article says: This is a most revolutionary one which makes it possible to stir the hearts of the masses by conducting agitprop activities with mobility any time, without formality and not restricted by place and condition.

SPA Chairman Attends Uprising Day Meeting

SK0503011494 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 28 Feb 94

[Excerpts] A Pyongyang municipal report meeting to mark the 75th anniversary of the 1 March popular uprising in 1919 was held at the Central Workers' Hall on 28 February. [passage omitted]

Present at the meeting were Comrade Yang Hyong-sop, candidate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chairman of the Supreme People's Assembly [SPA]; Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administrative and Economic Committee; Yu Mi-yong, chairman of the Central Committee of the Chondoist Chongu Party; Chong Tu-hwan, chairman of the Central Committee of the Democratic Front for the Reunification of Fatherland; Cho Song-il, chairman of the Central Committee of the General Federation of Trade Unions of Korea; Paek Nam-chun, director of the Secretariat of the Committee for the Peaceful Reunification of Fatherland; responsible functionaries of the sectors concerned; and workers of different strata in Pyongyang.

The meeting began with the performance of national anthem.

Chairman Chong Tu-hwan delivered a commemorative report at the meeting. [passage omitted]

Achievements of Scientists, Technicians Noted

SK0703151894 Pyongyang KCNA in English 1506 GMT 7 Mar 94

[Text] Pyongyang, March 7 (KCNA)—The February 17 shock brigades of scientists and technicians dispatched to different sectors of the national economy of Korea have succeeded in important researches.

Last year they introduced some 700 items of the achievements of science and technology such as new coal-cutting method, rice harvester combine and developer for the electronic duplicating machine, thus making a sizable contribution to the development of the national economy and the improvement of the people's standard of living.

The scientists and technicians dispatched to the Sunchon District coal mining complex introduced a method of cutting coal layers downwards so that the coal output per cutting face could be raised 1.5-2 times. A coal mine under the complex produced an extra 210,000 tons of coal last year by introducing this method.

Those who are active at the Pyongyang thermal power complex resolved some 40 problems of science and technology in raising the combustion rate of boilers and keeping a steady rate of electric production to increase the annual generating capacity by 200 million kwh.

Those dispatched to the sector of light industry built a production process of super-plastic material, new shoe moulds and lasts so as to diversify the variety and increase productivity.

The February 17 shock brigades of scientists and technicians have solved a large number of scientific and technical problems of great importance to the chuche orientation, modernization and scientization of the national economy. Among them are note-worthy successes such as development of 300 kinds of micro and hi-fi electronic elements and NC devices, completion of the method of laser heating and massproduction of precision alloy steel and micro alloy steel.

They also solved many problems in such advanced science and technology as cell engineering, genetic engineering and ultracryogenics.

Thanks to their activities in recent years, the remote control and computerization of production processes have reached a higher stage at many industrial establishments including the Hwanghae iron and steel complex and the Puryong alloy steel complex, and many coal and ore mines nearly doubled the production.

The shock brigades, which play a big role in developing the national economy, were organised on February 17, 1978 by dear Comrade Kim Chong-il.

Comrade Kim Chong-il laid down the policy of dispatching scientists and technicians to work sites in order to solve problems arising in production and actively develop new technologies in reliance on the collective strength of the producers, and took all necessary measures including the action programme, guidance system and supply conditions for the shock brigades.

Last year, he dispatched such shock brigades to 19 new important units of the national economy and provided them with good conditions for scientific research.

The shock brigades total more than 60 and involve some 8,000 competent scientists and technicians.

Preparations for Spring Farming Described

SK0403232694 Pyongyang KCNA in English 1504 GMT 4 Mar 94

[Text] Pyongyang, March 4 (KCNA)—March 5 is day of agricultural working people in the Democratic People's Republic of Korea.

With the proclamation of the historic law on agrarian reform in Korea on March 5, 1946, the farmers became the masters of the land. Korea observes this day as day of agricultural working people.

The agricultural working people are greeting this day with successful preparations for farming in spring to bring a bumper harvest this year, too. They are directing efforts to increasing the fertility of paddy and non-paddy fields.

According to data available, more compost than planned had been carried out to the paddy and non-paddy fields of South Hwanghae Province and other western areas of the country by March 1.

Carpeting fields with humus soil is in full swing. In the first two months of this year, 50,000 hectares of fields were carpeted with humus soil, taking the country as a whole.

Cooperative farms are making substantial preparations for sowing seed rice on cold-frame beds.

Notably, co-op farms in Sinchon and Anak Counties, South Hwanghae Province, Pongsan County, North Hwanghae Province, and Hamju County, South Hamgyong Province, had prepared windbreak fences, vinyl sheets and other materials for cold-frame beds by the end of February, earlier than the set time.

The rural communities in the west coast have filled reservoirs with water and completed the cleaning of waterways and checkup and repair of pumping facilities.

County farm machine stations and repair bases of cooperative farms across the country have completed the repair and readjustment of tractors and trailing farm machines.

And industrial establishments related to the agricultural sector are supplying farming materials and chemical fertilizers to cooperative farms in time.

South Korea

Government, Papers React to Super 301 Revival

Government Expresses Regret

SK0503014894 Seoul THE KOREA HERALD in English 5 Mar 94 p 20

[By staff reporter Chae Hui-muk]

[Text] The revival of the "Super 301" announced by U.S. Trade Representative Mickey Kantor Thursday is feared to affect Korea indirectly although initially no problems are expected. But the government issued a formal comment regretting the U.S. decision to revive the formidable retaliation clause of the Omnibus Trade Act in the wake of the successful conclusion of the multilateral Uruguay Round talks successfully ended and the set-up of the World Trade Organization (WTO) in 1995 for a freer trade order.

The Foreign Ministry said, "Trade disputes between countries should be solved through settlement procedures of the WTO rather than domestic legal procedures of any one nation."

Super 301 is initially targeted at opening Japanese markets as repeatedly reported after the failure of the U.S-Japan summit talks last month to rectify the snowballing U.S. trade deficit, a Foreign Ministry official said.

Japan recorded $60 billion trade surplus with the United States last year. But to avoid criticism from the world for retaliation against one specific nation, Mickey Kantor did not pinpoint Japan in announcing the reinstatement of Super 301.

An official of the Economic Planning Board said this means that the United States intends to take retaliatory action against an country using unfair trade practices.

The Korea Trade Promotion Corp. [KOTRA] and the Korea Foreign Trade Association [KFTA] made similar comments that the United States is likely to use the weapon as a means to pressure all its trading partners recording trade surpluses with the United States to open their markets wider. A KOTRA official cited China, Taiwan, Malaysia, Thailand and Indonesia.

The United States is also deeply interested in the telecommunications and financial markets of Korea and protection of foreign intellectual property rights here. If the United States obtains what it wants from Japan, it is expected to use the clause against Southeast Asian nations and Korea, the KFTA and KOTRA officials said.

Korea has a good relationship with the United States thanks to balanced trade unlike in the late 1980s, they said. But Washington has not decreased its pressure, calling for advancing the market opening timetable in nine fields, including telecommunications and education, at a third conference of the Dialogue for Economic Cooperation (DEC) last month.

Han Yong-su, director-general at the trade cooperation bureau of the Trade-Industry-Energy Ministry said, "Now, we have no outstanding trade disputes with the United States. We have been carrying out the market opening program at a fast pace. We will wait and see how the situation develops." But Super 301 is different from existing Clause 301 by the act that the retaliation procedures are simple and negotiations are comprehensive with each nation involved, not item-by-item or field-by-field negotiations. A a result, its impact on one nation is wide, a KFTA official said.

Japan, India and Brazil surrendered to the U.S. threat to use Super 301 in 1989 and India again in 1990. To escape from the naming as a nation for priority negotiation in 1989-90, Korea opened its farm markets wider and drastically eased regulations on foreign investment in advance.

Since 1989, Korea has been listed as a priority watch nation for intellectual property rights and has been forced to strengthen protection of property rights under Special 301 which is only applied to that sector.

Some businessmen, on the other hand, forecast that Korea will be able to benefit from U.S. pressure on Japan. They claimed that Korea could advance to Japanese markets amid the high yen in a short-term view. The United States wants Japan's automobile and semiconductor markets to open to U.S. exporters.

It is reported that Toyota Motor, a leading Japanese car maker, plans to purchase $6 billion worth of auto parts from the Untied States in 1996-97 year as a gesture to ease U.S. retaliation. But Korea should pay keen attention to probable damage from across-the-board U.S. pressure rather than short-term benefits, an observer said.

Trade Ministry Issues Statement

SK0503024594 Seoul CHOSON ILBO in Korean 5 Mar 94 p 2

[By Kim Kwang-hyon]

[Text] The Ministry of Trade, Industry, and Energy [MTIE] on 4 March issued a statement reporting: "If the United States seeks to impose Super 301 trade-sanctions on the ROK, the ROK intends to refer the issue to the World Trade Organization [WTO], which is slated to begin in 1995 for the settlement of disputes."

In the statement entitled "the MTIE's position on the revival of Super 301 authority on trade-sanctions," Kim Chol-su, minister of Trade, Industry, and Energy, said: "The MTIE calls on the United States to restrain from invoking the authority arbitrarily [chauijogin]."

The minister also warned that: "The reinstatement of the Super 301 provision runs counter to the spirit of Uruguay Round, which concluded at the end of last year. We express concern that this may hinder the world's free trade order at a time when the WTO is about to begin."

Article Examines Possible Effects

SK0503012694 Seoul THE KOREA HERALD in English 5 Mar 94 pp 8, 9

[By staff reporter Yu Kun-ha]

[Text] With the U.S. administration's reinstatement of the Super 301 trade provision, Korea is likely to feel additional heat for market opening from its largest trading partner. Although the primary target of the U.S. action is obviously Japan, trade experts point out the United States may also beef up pressure on other countries including Korea which it believes still uses unfair trade practices against it.

Officials at the Ministry of Trade, Industry and Energy (MOTIE), however, ruled out the possibility of Korea being picked as a priority foreign country (PFC) by the U.S. Trade Representative (USTR) for investigation of alleged unfair trade practices.

As grounds, they cited the balance in trade between the two countries, the existence of a well-functioning official channel for dialogue and Korea's accommodation during the Uruguay Round talks of most of the U.S. demands for market opening.

Bilateral trade between Korea and United States has continued to strike a balance since 1991. Before then Korea had enjoyed surpluses. Trade officials from the two countries have been regularly meeting at the Dialogue for Economic Cooperation (DEC) where they discuss ways to head off trade friction and promote industrial cooperation.

"In all, trade relations between the two countries have recently been free from any serious problems," said Chon Sang-u, a ministry official in charge of trade with the U.S.

Although the United States may not include Korea on the list of PFCs, the possibility still remains that it may want to apply additional pressure on Seoul to open its markets wider.

In fact, during the recently ended DEC in Washington, D.C., the United States demanded that Korea shorten its schedule for opening the telecommunications and education markets, abolish restrictions on investment in the distribution sector and improve retailing practices.

"Riding on the offensive momentum provided by the revival of Super 301, the U.S. may seek to put forward additional demands that Korea open wider its financial and service markets, strengthen protection of intellectual property rights and amend unfair wholesale and retail practices," said Chong Song-ki, an official of the Korea Foreign Trade Association (KFTA).

MOTIE officials said that although such a possibility cannot be ruled out, the government does not at the moment consider any acceleration of its original market opening schedule.

"There's nothing particular that we can do now about Super 301. We will do business as usual," said Han Yong-su, director-general of the ministry's Trade Cooperation Bureau.

"Business as usual," according to Han, includes efforts to expand bilateral trade without altering the present balance, continue the ongoing drive to wipe out administrative red tape and beef up the campaign to "internationalize" Korean society by changing outdated norms and practices.

The Ministry's official stance is that the U.S. administration's revival of the Super 301 clause goes against the spirit of the Uruguay Round talks.

"We are concerned that the U.S. measure might disrupt the newly emerging international economic order under the planned inauguration of the World Trade organization (WTO)," the ministry said in a press release.

The ministry also urged the U.S. administration to refrain from invoking the retaliatory trade clause arbitrarily.

While predicting that the renewal of Super 301 will not fundamentally affect the present smooth trade relations between the two countries, the ministry, however, made it clear that if and when the United States does take any unfavorable actions against Korea, Seoul will cope with them by resorting to the WTO's newly established settlement procedures.

"Our official position has already been delivered to the U.S. through diplomatic channels," Han said.

Under the revived trade legislation, the USTR will make public by the end of this month its survey of trade barriers of its trading partners.

Based on this survey, called the national trade estimate (NTE), the U.S. will select specific trade practices of foreign countries for investigation. Thus the survey will give hints about which countries will be picked as PFCs.

The list of actual PFCs will be announced by Sept. 30 this year based on the outcome of investigations.

The list of actual PFCs will be announced by Sept. 30 this year after six months of investigation of priority foreign practices that the USTR want to correct.

Negotiations between the USTR and PFCs will begin within 21 days after the list is announced and will last for 12 to 18 months. When the negotiations break down, the U.S. administration can take unilateral retaliatory measures.

"The U.S. administration is not expected to actually go so far as to retaliate against its trade partners, although Japan may be an exception. But even for Japan, its ultimate aim is not to retaliate but to open the Japanese market wider," said KFTA's Chong.

Korea has experience of succumbing to the U.S. threat to invoke the Super 301 clause when it had been in effect during the 1989-1990 period. AT the time, to avoid the PFC designation, Korea opened its agricultural market wider than it wanted and softened restrictions on foreign investment in Korea.

According to trade experts, the revived Super 301 clause is more threatening than the previous one because it stipulates that the U.S. administration hold comprehensive negotiations with PFCs on their unfair trade practices.

Newspapers Speculate on Impact

SK0503074794

[Editorial Report] Local vernacular dailies on 5 March carry items on the possible impact on the ROK economy of the United States' revival of the Super 301.

The moderate KYONGHYANG SINMUN on page 3 carries an 800-word editorial entitled "U.S. Economic Hegemonism." The editorial begins: "The U.S. Clinton administration revived 'Super 301,' the foreign trade retaliation law, despite the world's consistent opposition to it. We cannot help expressing grave concern over this unilateral trade strategy taking the world free trade hostage. The United States and Japan, which led the situation to this consequence, should feel responsible for it as major economic powers and resolve the dispute in a reasonable way." The editorial says the U.S. action runs counter to the multilateral Uruguay Round system, adding: "The Uruguay Round system is faced with a crisis of withering to death even before its official signing." The editorial then notes: "The Super 301 is aimed at Japan and may cause little impact in view of the fact that ROK-U.S. trade is balanced and there are few pending issues between the two countries. However, in the long run, it can be used as a weapon to pressure us to open our goods and services market wider. Moreover, this 'economic hegemonism' can incapacitate multilateral negotiations and curb the world's free trade development, bringing about considerable loss for exporting countries like us." The editorial then says: "We can appreciate the super-tough position the United States is taking in view of the fact that the United States has a more than $110 billion trade deficit (in 1993) over half of which comes from its trade deficit with Japan." The editorial then stresses that Japan should open its market wider, and urges the United States to make internal efforts to improve the deficit situation.

The moderate TONG-A ILBO on page 5 carries an 800-word article by reporter Yang Ki-tae entitled "What Impact Will the Super 301 Have on Our Economy?" The article begins: "Although the U.S. Super 301 is aimed, in the first place, at Japan, it can cause direct and indirect shockwaves to our foreign trade and industries. We could even become an object of retaliation to the same degree as Japan." The article then notes: "The United States is putting continuous pressure on the ROK to open financial and distribution markets, the market areas for which the Uruguay Round negotiation has not reached settlement, and, therefore, the Super 301 could be used to pressure the ROK to make additional market openings." The article then concludes: "Some observers, however, think that the revival of the Super 301 may not necessarily be a disadvantage to us. Since sufficient dialogue is made between the ROK and the United States on pending trade issues through such channels as the Dialogue for Economic Cooperation (DEC) and since the ROK government is moving toward lifting restrictions in various areas and toward internationalization, there will be little chance of the ROK being subject to retaliation by the Super 301."

The independent, moderate MAEIL KYONGJE SINMUN on page 4 carries an 800-word article by reporter Kim Chong-hyon entitled "Our Countermeasures." The article notes: "Although this Super 301, different from that of 1989 and 1990, is limited as an administrative decree and is characterized as primarily aimed at Japan, since the 'revival' itself could cause enormous shock wave, our government is very perplexed." The article then adds: "Since the settlement of the Uruguay Round negotiation, the United States has been requesting the ROK, through such channels as the DEC, to more widely open the service market consisting of nine areas; to open the financial market earlier; to ensure fair competition; to eliminate discrimination against imported cars; and to reinforce the protection of intellectual property rights. Therefore, the ROK can be classified as a priority negotiation list country."

The article then adds: "If the United States takes a retaliatory measure with its Super 301, the government intends to resolve the issue through such channels as the dispute settlement procedure of the World Trade Organization (WTO), while making efforts to persuade the United States by presenting our internationalization program, which includes market opening schedules." The article then notes a remark by Han Yong-su, director of the Trade Cooperation Division of the Trade, Industry, and Resources Ministry: "Although the United States has a degree of complaint about its trade with the ROK, the United States thinks well of ROK efforts for openness, including our opening of the rice market. Even if the Super 301 is put into operation, there is little possibility that the United States will place the ROK on the priority negotiation list."

Hubbard Says Security Law Not on U.S. Agenda

SK0503031294 Seoul YONHAP in English 0303 GMT 5 Mar 94

[Text] Seoul, March 5 (YONHAP)—The U.S. official who commented earlier that Washington wants South

Korea to repeal its National Security Law, said the United States does not intend to raise the issue at a bilateral level, the Foreign Ministry said Saturday.

Deputy Assistant Secretary of State Tom Hubbard held himself personally responsible for the ill-timed and misworded comments on the South Korean security law, admitting that he was not the appropriate person to make such remarks, Ministry officials said.

An official from the South Korean Embassy in Washington met with Hubbard and was told the United States does not plan to raise the issue as part of the bilateral agenda, they said.

"We believe that Mr. Hubbard made these remarks in his capacity as deputy secretary of state," one official said.

Hubbard told a seminar on Feb. 25 that the United States hopes South Korea will abolish its National Security Law, which bars any unauthorized contact with North Korea or any activities sympathetic to the communist regime.

The remarks came under immediate fire as unwelcome interference in Seoul's internal affairs. Hubbard drew even more criticism because he was chief U.S. working-level delegate to nuclear negotiations with North Korea.

At the meeting with South Korean Embassy official, Hubbard reasserted that his statements were in line with Washington's 1993 human rights report, which said the South Korean law is subject to abuse.

Admitting his personal responsibility, Hubbard said he should not have made such comments in light of his capacity as chief negotiator with Pyongyang on nuclear affairs, officials said.

Talks With U.S. Expected After IAEA Inspection

SK0503030694 Seoul YONHAP in English 0252 GMT 5 Mar 94

[Text] Seoul, March 5 (YONHAP)—South Korea and the United States will discuss the North Korean nuclear situation next week to map out future steps after International Atomic Energy Agency (IAEA) inspections are concluded.

Assistant Secretary of State Robert Gallucci, chief U.S. nuclear negotiator with North Korea, will come to Seoul on March 10 and meet with several South Korean officials the following two days to coordinate a bilateral stance.

Gallucci will likely be accompanied by David Brown, chief of the Korea desk at the State Department, and Gary Samore, deputy chief in charge of nonproliferation.

Tom Hubbard, the top U.S. representative at working-level negotiations with Pyongyang, is unable to accompany the delegation because he is acting as assistant secretary in lieu of Winston Lord, who is on a trip to Asia.

Seoul and Washington will draw up measures expected after the IAEA team, currently in the middle of inspections, successfully concludes its monitoring of Pyongyang's nuclear facilities in another week or so. They will discuss the agenda and principles for the next round of North Korea-U.S. high-level talks, set for March 21 in Geneva.

A key point concerns their demand for an inter-Korean presidential envoy exchange before the high-level talks can open.

North Korea has yet to indicate that it will meet this demand. Seoul and Washington are expected to reconfirm their position that substantive inter-Korean dialogue is a condition for the March 21 meeting.

Gallucci plans to hold a press conference on March 12 and leave the following day.

Inter-Korean Summit Talks 'Likely' in Beijing

SK0603034294 Seoul CHOSON ILBO in Korean 6 Mar 94 p 1

[Text] North Korean President Kim Il-song is expected to visit China during ROK President Kim Yong-sam's visit to China scheduled for 26 March, sources in Beijing said on 5 March. The sources reported that the Chinese side, therefore, is very likely to arrange inter-Korean summit talks in Beijing, adding that China has secretly pushed ahead with these arrangements.

The sources said that it was part of this plan that Li Shuzheng, head of the International Liaison Department of the Communist Party of China, visited Pyongyang on 24 February, met Kim Il-song, and delivered an invitation to visit China in the name of Jiang Zemin, CPC general secretary and Chinese president.

Meanwhile, a ROK Government source on 5 March reported: "It seems true that China invited President Kim Il-song to visit China, but there is no possibility of inter-Korean summit talks being held in China."

The source added: "We understand that China invited President Kim Il-song to visit in April. Therefore, the summit talks are impossible due to the timing. Even if the two presidents were to visit Beijing at the same time, inter-Korean summit talks in Beijing would be an awkward arrangement in view of the nature of the talks."

Spokesman Rules Out Summit

SK0703030894 Seoul YONHAP in English 0303 GMT 7 Mar 94

[Text] Seoul, March 7 (YONHAP)—Presidential spokesman Chu Ton-sik on Monday denied foreign press reports that an inter-Korean summit meeting may be held in Beijing when South Korean President Kim Yong-sam visits the Chinese capital in late March.

"There is no possibility of a South-North summit in Beijing during President Kim Yong-sam's visit to China," Chu said.

"An inter-Korean summit is not such a simple matter as to be realized just because the two leaders are visiting Beijing nearly at the same time," Chu said.

In order for Seoul and Pyongyang to hold a summit, extensive consultations and preparations must take place, Chu said. At present, there is no possibility that Presidents Kim Yong-sam and Kim Il-song will visit Beijing at the same time, Chu added.

Reliable sources in Beijing said Monday that the North Korean president would visit China in May at the latest.

Premier Urges North To Take 'Sincere Attitude'

SK0503053294 Seoul YONHAP in English 0528 GMT 5 Mar 94

[Text] Seongnam, Kyonggi Province, March 5 (YONHAP)—Prime Minister Yi Hoe-chang urged North Korea on Saturday to achieve nuclear transparency and remove all obstacles to peace and unification of the Korean peninsula. Yi conveyed the message while speaking at the commencement ceremony for the reserve officers' training corps held at the students' Central Military School in Seongnam, a satellite city on the outskirts of Seoul.

He said, "North Korea should solve the common problems of South and North Korea by showing a more sincere attitude."

The North is delaying progress in inter-Korean talks intentionally, asking for things having nothing to do with the heart of the talks at a recent working-level contact on exchanging special envoys, Yi said.

"In order to win the unlimited competition in the world, all Koreans should concentrate on strengthening the nation's international competitiveness. For this, it is most important for the military to keep a water-tight national security posture."

Unification Minister on 9 Mar N-S Contact

SK0503005694 Seoul YONHAP in English 0039 GMT 5 Mar 94

[Text] Tokyo, March 5 (YONHAP)—South Korean Deputy Prime Minister Yi Yong-tok voiced confidence Saturday that North Korea would eventually agree to exchange special envoys, possibly before the Pyongyang-Washington high-level meeting on March 21, because it knows the exchange is a must for the talks with the United States.

In an interview with Japan's YOMIURI SHIMBUN, Yi, concurrently national unification board minister, said the Seoul-Pyongyang summit proposed by President Kim Yong-sam is possible anytime once the exchange is realized, hinting that South Korea is making necessary preparations.

If North Korea does not meet one of the prerequisites to a third-level meeting set by the United States—full implementation of International Atomic Energy Agency (IAEA) inspections and an inter-Korean exchange of special envoys—it will have difficulty realizing the March 21 talks in Geneva, Yi said.

Seoul and Washington have agreed to put off the March 21 meeting if Pyongyang fails to meet the two conditions, he added.

"It is hard to predict the North's attitude," Yi said, commenting on the collapse of inter-Korean working-level dialogue on Thursday. "But we expect great progress on March 9," he said. South and North Korea, without attaining tangible results on Thursday, agreed in principle to the envoy exchange and to meet next week for further discussions. He reiterated that Seoul wants to see visits by president-designated envoys from each side take place before March 21.

Article Says N-S Talks Produce 'Few Results'

SK0503004494 Seoul THE KOREA TIMES in English 5 Mar 94 p 2

[By staff reporter Pak Sung-yong]

[Text] The border contacts resumed by South and North Korea after a break of four months on Thursday have produced few results, only endangering the possibility of envoy exchanges taking place before March 21 when the third round of Washington-Pyongyang high-level talks is supposed to be held.

At the working-level talks, the North, on one hand, positively responded to the Southern demand that presidential envoys be exchanged as early as possible.

As for the procedural decision, on the other hand, the communist country showed little desire to act, saying, "Since there are few differences on the issue, both sides can reach an agreement at any time."

Accordingly, the South had to be satisfied only with securing continuity of inter-Korean dialogue by agreeing to meet again at 10 a.m. at Tongil-gak on the Northern side of the truce village of Panmunjom, failing to make up for the four months of inactivity since the last contact was made on Oct. 25 last year.

Until the South Korean delegation came to the border village of Panmunjom, Seoul had expected the Thursday meeting to make considerable progress unless Pyongyang repeated its earlier demands that Seoul stop "nuclear war exercises" and "seeking international cooperation to stop a non-existent nuclear arms program."

A clause in Tuesday's North Korean message saying that it recognized South Korean proposal for resumption of inter-Korean dialogue as acceptance of its earlier demands was especially taken as grounds for optimism.

Based on this judgment, the South prepared a draft agreement which made concessions on which side will visit which first and on what the envoys can negotiate, among other things.

The 13-point draft, which Vice Unification Minister Song Yong- tae, Seoul's chief delegate, presented at the contact, pointed out five aims of special envoys.

This was reflection of a strong will on the part of the South that the envoy exchange issue be concluded at the contact since it had virtually accepted what the North had demanded as envoys' missions in the last three working-level meetings.

At the Panmunjom contact, however, the South could not even discuss the details of procedural questions because the North erected a new hurdle by demanding Seoul scrap the plan for deployment of Patriot anti-missile batteries on the Korean peninsula.

Pyongyang's head delegate Pak Yong-su also required an explanation of the two of South Korean President Kim Yong-sam's statements in news conferences.

Kim's remarks which the North took issue with were one saying that he could not "shake hands with anyone possessing nuclear arms" in a press conference marking the 100th day of his term and the other saying that there is no substantial proof that the North has an atomic bomb in a recent press meet.

Along with the new complaints, the North repeated its earlier demands.

According to Vice Minister Song, the Northern side said, "Without resolution of these issues, the envoy exchange is unlikely to take place," adding that the Southern answering of the four complaints "is indispensable" for the envoy exchange.

Many government officials take the North Korea's intransigent stance as a sort of tactic to gain the advantage in the process of exchanging presidential envoys, delaying the exchange a little bit.

"Pyongyang is well aware that the envoys must be exchanged before March 21 when the third round of high-level talks between Washington and Pyongyang is scheduled," said a ranking government official, adding that the North's attitude can be taken as a "transient action."

This rather optimistic viewpoint predicts that the South and the North will agree on the process of envoy exchanges in the next border contact slated for next Wednesday [9 March] and that the envoys will be exchanged before March 21. However, as Seoul's chief delegate Song pointed out after the Thursday contact had failed, "North Korea's will to realize the envoy exchange in an early date is not strong," the timetable South and North Korea and the United States have prepared for eventual solution of the nuclear issue is unlikely to be kept, other government officials said.

Official Rejects 4 Mar Remarks on Envoy Exchange

SK0503035394 Seoul KBS-1 Radio Network in Korean 0300 GMT 5 Mar 94

[Text] In connection with the press statement by Kang Sok-chu, North Korean vice foreign minister, that the exchange of special envoys is not a precondition for the third round of the U.S.-North Korean talks, a senior government official today stressed that the government position that the exchange should be made before the third round of U.S.-North Korean talks remains unchanged.

The official said that although North Korea seems to be making this assertion on the basis that the exchange of special envoys was not specified in the U.S.-North Korean written agreement in New York, the exchange of special envoys was agreed upon internally between the United States and North Korea, though the United States acceded to the North Korean demand not to include it in the written agreement.

The official said that, therefore, Kang Sok-chu's allegation that the text of the New York agreement mentions only the resumption of the working contact and that it does not make any reference to the realization of the exchange of special envoys is an absurd allegation aimed at overturning the explicit agreement between the United States and North Korea.

N-S 'Processing-on-Commission' Trade Increases

SK0603084794 Seoul KYONGHYANG SINMUN in Korean 6 Mar 94 p 2

[Text] While inter-Korean trade is picking up this year, inter-Korean processing-on-commission trade [witak kagong muyok] has amounted to $2.78 million in the first two months of this year, recording 63 percent of the 1993 yearly total of this mode of trade.

According to the "Trend of Inter-Korean Trade in February" released by the National Unification Board on 5 March, the processing-on-commission trade during January-February period this year consisted of 160,707 men's jackets, 172,996 pairs of men's trousers, and 200,000 suit-covers on an approval basis, accounting for 63 percent of the total processing-on-commission trade amount of $4.38 million last year. However, the approval amount of inter-Korean trade during the same period was $24 million, registering only a two percent growth over last year.

The businesses engaged in processing-on-commission trade are 12 companies including Daewoo, Lucky-Gold Star, Samsung, and Kolon.

DPRK Reportedly To Announce PRC-Style Opening

SK0703015594 Seoul YONHAP in English 0145 GMT 7 Mar 94

[Text] Beijing, March 7 (YONHAP)—North Korea plans to declare on April 15, the 82nd birthday of President Kim Il-song, that it will open up partially by launching Chinese-style economic reforms, reliable Chinese sources said Sunday. After making the declaration, Kim Il-song is expected to visit Beijing in May at the latest, the sources said.

North Korea's communist regime will undertake the measures to overcome a grave economic crisis and alleviate mounting dissatisfaction among its citizens, the sources noted.

The Pyongyang government has established a central economic reform ministry within the administration and is currently mapping out detailed plans patterned after Chinese-style reforms, they said.

Pyongyang has already informed Beijing, its only remaining major ally, of its plans, the sources said on condition of anonymity.

One senior North Korean official was quoted by a number of Chinese observers as saying that "North Korean leaders at a recent meeting with President Kim seriously discussed the question of undertaking Chinese-style reforms."

The leaders have decided to proceed toward partially opening North Korea as a separate policy from the country's nuclear program, which has been the biggest obstacle to such reforms, the official was quoted as saying.

The North Korean official was quoted by a number of Chinese entrepreneurs who have close contact with North Korean officials in charge of external economy, and who are well-versed with North Korean affairs.

At the meeting, the North Korean leaders shared the opinion that their country would be dealt a fatal blow if another war broke out on the Korean peninsula because of the nuclear issue, the sources said.

They thus decided to push ahead with their current negotiations with the United States to normalize relations and obtain assurances on the maintenance of the North Korean regime and economic assistance.

In the meantime, Pyongyang will pursue economic reform and a policy of openness separately, the sources said. The North Korean leadership made the decisions mainly because the country's economic difficulties are approaching a dangerous point and the people's dissatisfaction is reaching a serious level, they said.

With regard to North Korea's economic reform policy, they said Pyongyang will almost completely open the Rajin-Sonbong area in the northeastern part of the country, as well as Shinuiju, Nampo, Chongjin and Wonsan.

Pyongyang plans to liberalize investment in these areas by foreigners including South Koreans, they said.

As a second phase, the North Koreans are studying the possibility of allowing "select" Chinese and other business enterprises to advance into areas near Pyongyang, they said.

In this connection, China's Tumen Trading Corp. recently signed a contract with North Korea on setting up a food-processing joint venture on the outskirts of Pyongyang while several other Chinese companies in Guangdong Province have agreed to build factories in and around Pyongyang, they said.

As part of its economic reforms, Pyongyang intends to reform agricultural policy, abolishing the current "collective farm system" whose productivity has been declining steadily over the years.

Pyongyang also plans to give farmers the right to cultivate land on condition that they pay predetermined taxes, they said.

At the same time, officials from the newly established central economic reform ministry will be sent to China's free trade zones in Guangdong Province to study the Chinese reform policy, the sources said.

North Korea's new economic reform policy is an "open secret" among residents of such big cities as Pyongyang, they said.

Military Investigating DPRK Arms Found in DMZ

SK0703020194 Seoul YONHAP in English 0156 GMT 7 Mar 94

[Text] Paju, March 7 (YONHAP)—Military and police teams investigating weapons found along the Imjin River in the western section of the Demilitarized Zone [DMZ] on Sunday morning said the arms must have been left behind by a North Korean Army patrol trying to infiltrate one or two years ago.

Estimating the patrol consisted of around three soldiers from the Reconnaissance Battalion of the Second North Korean Army Corps, they said a rust-covered M-16 rifle and ammunition indicate the weapons had been there for one or two years.

The North Koreans probably disguised themselves as South Korean Army soldiers and tried to cross the river to observe construction of a freeway along its southern bank, which was completed more than a year ago, they observed.

The weapons, including a .66-caliber Soviet pistol with 17 North Korean-made ammunition rounds, German binoculars, an M-16 rifle with 213 rounds and two hand grenades, were found by Yi Hui-un, 35, of Munsan, Paju-gun, Kyonggi Province, and two friends along the river at 8:00 A.M. Sunday.

* Legislator Sees Attack From North as Unlikely

942C0064A Seoul SISA JOURNAL in Korean
30 Dec 93 pp 30-32

[Interview with Democratic Party Representative Na Pyong-son by reporter Kim Tang; place and date not given; first paragraph is source-supplied introduction]

[Text] Theories of a war crisis surrounding the North Korean nuclear issue are endlessly being put forward. In the stock market, however, prices are actually rising, as if ridiculing these ideas. How are the members of the National Assembly's National Defense Committee accepting these contradictory phenomena? We got an answer to this from Democratic Party [DP] lawmaker Na Pyong-son. A graduate of the 14th class of the Korean Military Academy, Representative Na is an operations expert, having passed through the positions of 1st Army operations and intelligence staff officer, Army Headquarters deputy director of operations, Joint Chiefs of Staff operations bureau director, and 6th Corps commander, to transfer to the reserves as a lieutenant general. Representative Na is one of the newly elected lawmakers to get the most attention from various media for his sharp questions on national defense policy during this regular session of the National Assembly.

[Kim] An emergency meeting was held in the National Assembly National Defense Committee last November in which Kim Tok, director of the Agency for National Security Planning, and Defense Minister Kwon Yong-hae gave a situation report on DPRK trends. In your judgment, how much of a danger is there of war on the Korean peninsula?

[Na] To begin with my conclusion, it is not easy for conditions to develop that would lead to an outbreak of war on the Korean peninsula. When viewed geopolitically, the influence of the surrounding four great powers is absolute. That is to say, neither the North nor the South can attack the other by the will of its own government alone. Also, national power and the circumstances surrounding the Korean peninsula are now completely the reverse of those at the time of the Korean war.

[Kim] But senior U.S. officials and foreign news agencies continue to speak of crisis.

[Na] There are two external factors that could support the DPRK. One is forces giving ideological support, that is, the communist bloc. But it collapsed. The other is forces giving economic support, that is, allies of the DPRK. But the DPRK cannot depend on them either. Internally, the most important factors enabling a nation to wage war are military and economic power. However, at the time of the Korean war, South Korea [ROK] was not only inferior militarily, but even in economic power was far behind the DPRK. With factory-operation rates below 40 percent, DPRK economic growth is unlikely. The scale of its GNP is one-sixth that of the ROK. In the case of military power, at the time of the Korean war, when ROK forces were less than 100,000, DPRK forces were over 200,000. In tanks and guns, the DPRK held absolute superiority. But things are different now. One things that must be considered, however, is that the DPRK continues to build up its military. Although there may be criticism of its quality, the general analysis is that the DPRK military has numerical superiority. However, unlike the start of the Korean war, which saw no U.S. troops in Korea, now they are here by a strengthened security treaty based on the ROK-U.S. Mutual Defense Treaty. Thus, the combined forces of the U.S. military stationed in Korea and the Korean military are a sufficient deterrent to war.

[Kim] However, quoting secret U.S. Defense Department documents or senior officials, foreign news agencies are reporting very believable war scenarios.

[Na] Concerns about an invasion of the South or scenarios predicting short-term occupation of Seoul reported by the media are only hypothetical. They have almost no validity. According to the situation report, its economy is so bad recently that the DPRK is carrying out a campaign to eat two meals a day. This is intertwined with problems of the preservation of the regime and the transfer of power. It knows that waging war cannot be a way to preserve its system. A war with no chance of winning cannot but lead directly to its collapse. Linking the possibility of war with the nuclear issue despite this, while backing the DPRK into a corner, the American media are saying that if the DPRK is backed into a corner, there is a chance of war breaking out. This actually gives one the feeling that they are inciting this. This is an erroneous and dangerous logic.

[Kim] It is reported that in two recent surveys questioning whether there should be military sanctions against the DPRK concerning its nuclear program over half of Americans supported sanctions. Do you believe there is some special background to these surveys and reports?

[Na] This comes mostly from the linkage of U.S. interests with the nuclear issue. The prevention of nuclear proliferation has been a consistent U.S. strategy for world domination and was a Clinton campaign promise. The U.S. Defense Department recently announced that it set up the Defense Nuclear Proliferation Prevention Plan (DCI). The nuclear Non-Proliferation Treaty (NPT) expires in June 1995. Then, it will have to be extended or concluded again. The disappearance of the NPT would be a decisive disadvantage for U.S. world strategy. If it cannot block DPRK nuclear development, the NPT will definitely come apart. Thus, for the United States, DPRK nuclear development must be stopped no matter what. Thus, my perspective is that the United States may be coming out with these theories of imminent invasion of the South as a means to pressure DPRK. And this is also used to pressure ROK. It is for stressing that the problem cannot be solved by appeasing DPRK, when the ROK Government takes an appeasing attitude or appears to do so.

[Kim] This is a very important analysis. Do you have grounds to prove it?

[Na] It is my understanding that even when the elderly Yi In-mo was returned to the North, the United States opposed this. With the reform-drive policy which came pressing in after the birth of the new administration, as policy toward DPRK, including the nuclear issue, began to flow somewhat in the direction of appeasement and change, the United States appears to have had misgivings that if things continued as they were, Korea would head in a nationalistic direction. Thus, it appears to come from ideas of giving these actions a declarative significance, with even concerns over Korean nationalism in mind. Otherwise, given various conditions, such as the end of the Cold War, the disappearance of forces supporting the DPRK, and the DPRK's worsening economy, how could the United States haphazardly talk about a DPRK invasion. Hence, the talk of an invasion of the South and the heightened sense of crisis flowing out of the United States appear to be strategic moves targeting both the ROK and the DPRK nuclear issue. The way I see it, although the DPRK may do it if it assumes the collapse of its government, there is no possibility of it starting a full-scale war which would definitely be suicidal. However, one thing I'm worried about is a limited war. Considering its capability for a protracted war, it is impossible for the DPRK to communize the ROK if the Korean-U.S. alliance is put into action. Since Seoul is close, however, the DPRK does have the offensive capability to do considerable damage to the capital in a short time. The DPRK has large quantities of chemical and biological weapons. Combined with artillery in range of Seoul, this means that it is possible the DPRK could break part of Seoul's defensive line, even if it wouldn't be an all-out war. Of course, I'm saying this militarily under the assumption the North would launch a surprise attack and would risk the collapse of its regime to do this.

[Kim] Then, is there no possibility that the theories about a possible DPRK invasion, stories of crisis and the opinion polls on sanctions against the DPRK presented by the United States are not only for pressuring North and South Korea to solve the nuclear issue, but that they also have U.S. military sanctions in mind?

[Na] Well, we can't really draw a conclusion on that, right? However, the industry having the greatest difficulty in the United States is the defense industry. Enormous defense industries are downsizing now. Because war or the threat of war vanished with the end of the Cold War, foreign demand for weapons is diminishing. The ROK is the U.S. weapons industry's greatest Asian customer. From its very beginning, the Korean military was founded according to the organizational equipment charts of the U.S. military. But, beginning in the late 1980's, in the course of finishing with conventional weapons and going to high-tech weapons, Korea moved away from being pro-American in its equipment and is becoming multilateral in its weapons purchases. Our submarines are from Germany. For our destroyers, we make the hulls themselves, but the other equipment is from the United Kingdom or Germany. For helicopters, which have become very important in modern warfare, we are presently using American-made equipment, but if something better and cheaper comes out, there is no need to purposely continue using it. The U.S. defense industry is hard-pressed right now. Furthermore, Russian weapons are coming out at rock-bottom prices. The creation of the present sense of crisis about the DPRK is not unrelated to the circumstances of the U.S. defense industry.

[Kim] Do you have actual evidence reflecting pressure by the U.S. military-industrial complex?

[Na] I have no tangible evidence. However, it is a fact that they are expressing dissatisfaction with Korea's multilateralization of its weapons purchases. They did so this last time when we imported submarines and destroyers. Up to now, weapons purchases have always followed the spread of theories of crisis on the Korean peninsula. Also, these crisis stories generally come about the time Korea's national-defense budget is being passed.

[Kim] In November, in an unprecedented move, the U.S. Defense Department published its 1993 United States Forces Korea [USFK] Inspection Report. Central to the report were the claim that ROK-U.S. Combined Forces were unprepared for an emergency and the suggestion that a wartime support-forces operational plan should be set up. Never before published because it was classified Secret, what is behind the publication of this inspection report?

[Na] That is an important point. It is in the same context as I mentioned before. There is no such thing as a perfect wartime support plan. If examined from a purely military perspective, every country has weaknesses. The U.S. Defense Department's inspection report is done not just once, but every year. And this is not the only year preparations have been found to be unsatisfactory. This was the case last year too, and the year before that. The way I see it, this is the inadequacy. In connection with the wartime support plan, in last year's annual Korea-U.S. security consultative meeting, a switch was made to a new strategic concept called the Flexible Deterrence Option (FDO). In actuality, however, the wartime support plan itself, included in the ROK-U.S. Combined Forces Command [CFC] operations plan (OPLAN 5027), is arranged in such a way as to require a considerable amount of time. DPRK strategy, however, emphasizes short-term conflict and blitzkrieg. The support plan is lax compared with this. The problem, however, is that it didn't become lax just this year; the problem has always been pointed out.

[Kim] The focus of the inspection appeared to be whether the Wartime Host Nation Support Agreement (WHNS),, concluded in November 1991, would be observed.

[Na] The Wartime Logistics Support Agreement is presently being carried out a little at a time. Generally, an agreement is the reinforcement and observance of a security treaty. Therefore, every year when the Korea-U.S. security consultative meeting is held, progress on this is supposed to be checked and furthered. So, I cannot help but view these statements, that preparations are inadequate and that the ROK would fall in the event of war, made in spite of the great progress which has been made compared with the past, as means for pressuring North and South Korea, under the premise of a crisis situation.

[Kim] Some point out that there are problems in the makeup of and cooperation on the FDO package.

[Na] The FDO concept was adopted as the new world strategy of the United States after Clinton came on board. The concept is one step more developed than the wartime support plan of the past. In the past, if a war broke out, the commitment of combat forces was supposed to be timed with the response stage. With FDO, however, this has changed: forces are to be sent to deter war. This means that they are already coming at the stage in which a war-crisis situation is forming. That is to say, let's prevent a war by putting forces in place. In the case of FDO, it is my understanding that the work is in progress of actually forming them and including them in the present operational plan. But details are secret. I can point out this, however. In the annual Korea-U.S. security consultative meeting held in November, it was agreed that during wartime, the Seventh Fleet would be put under CFC operational control. Then, this too must be included in the CFC operational plan. Of course, this work has not yet been completed. Of the attachment of the Seventh Fleet, they say it guarantees automatic wartime intervention, but, if war should break out at the same time in the Indian Ocean or the Middle East, we cannot know whether they will actually intervene on the Korean peninsula. I question whether there is a need to irritate the DPRK by publicly announcing and stressing the CFC attachment of the Seventh Fleet. It is actually of more strategic benefit to keep this secret between Korea and the United States. This put things the other way around. This kind of unnecessary public statement is telling the Korean military not to increase its naval forces. Concerning the DPRK, it is wrong in that it can be interpreted, just as the DPRK claims, as a threat of "nuclear blackmail."

[Kim] According to THE WASHINGTON POST, the U.S. secretary of defense reported to President Clinton on an emergency defense plan based on "USFK 5027." What is the basic concept of the CFC operational plan, OPLAN 5027?

[Na] Generally, when new tactics or strategy is developed, it is reflected in operational plans after passing through the process of map exercises and actual maneuvers training. The blind spot of the CFC operational plan is that the CFC is not supposed to make a first strike. Our Free World allies generally adopt a strategic concept of not launching a first strike. However, because, in accordance with our armistice agreement, the guilty party is determined by who fired first, the operational plan is set up to observe the armistice agreement. However, surprise attacks and first strikes are absolutely essential in war. First strike means that, in war, the attacking side has the choice of time and place. Thus, the side suffering a first strike is at an absolute disadvantage, particularly early in the war. Supplementing this disadvantageous condition is the air-land battle concept developed by the U.S. Army in the early 1980's. This was a development of operational and strategic ideas following the change of its weapons systems to a form suited for three-dimensional warfare. This approach is possible assuming intelligence, destructive power, and maneuverability. When this rapid-deployment-maneuver force system is in place, a deep-strike strategy becomes possible, whereby, when an opponent makes a first strike, his main axis of attack is blocked while another axis maneuvers, striking the enemy's rear.

[Kim] This strategic concept ultimately signifies a fluid offensive defense posture, that, when the DPRK has made a first strike, would move the main line of battle to the north. When was this included in the CFC OPLAN 5027?

[Na] Let's say the mid-1980's. Although not as good as a first strike, it keeps the spirit of the UN armistice agreement and is a strategy which supplements striking power against an opponent's attack. I think it is probably the best strategic concept possible under the present UN armistice agreement system.

[Kim] Considering the DPRK nuclear issue, I have misgivings regardless of whether they have nuclear weapons. The Bush administration withdrew USFK nuclear weapons. Has this been reflected in the CFC OPLAN?

[Na] It is my understanding that plans for the use of nuclear weapons were dropped from the OPLAN after the withdrawal of USFK nuclear weapons. However, as long the Korea-U.S. Combined Forces system exists, there is no possibility of war breaking out on the Korean peninsula.

[Kim] As a legislator who is former military, you seem to have a particularly progressive perspective toward the United States. This is a sharp question. Representatives Kang Chang-song, Im Pok-chin, and yourself are called the Three Musketeers of the National Defense Committee. Of those still on active duty in the military, is there anyone with thoughts similar to your own?

[Na] For those at the Ministry of National Defense directly responsible for the work of national defense, it is natural that they would concentrate on the war-deterrence capability of the military. If you talk with them, however, there are many, particularly of those responsible for national defense policy, who think the same way I do. But they cannot speak of this outright. Ultimately, it is the politicians who must indicate this. So I'm speaking on their behalf. Times are now changing. We are moving into an era in which even a superpower such as the United States cannot guarantee its security with its own power alone. However, we must continuously develop national defense policy in a direction that would enable us, with only our nation's resources, to have at least a minimum of deterrence capability. This is because if we have nothing, we have no capability to negotiate either.

Anniversary of DPRK Farm Policy Described

SK0503063694 Seoul YONHAP in English 0525 GMT 5 Mar 94

[Text] Seoul, March 5 (YONHAP)—North Korea saw out February with noisy celebrations marking the 30th anniversary of President Kim Il-song's announcement of a program to develop socialist agriculture. The program, disclosed by Kim and adopted by the Workers' (Communist) Party at its Central Committee meeting on Feb. 25, 1964, provided several approaches to rural woes, which were classified as agricultural problems in one group and farmers' problems in the other.

Under a resolution adopted by the Workers' Party at its Politburo meeting in October last year, North Korea held meetings, ceremonies and other functions late last month to observe the 30th anniversary of Kim's socialist agriculture program.

A national meeting of farmers was held in Pyongyang from Feb. 25-28, along with film shows and discussion meetings across the country. In addition, commemorative stamps and postcards were issued and cooperative farms with excellent production records honored. On Feb. 23, Haksan cooperative farm in Pyongyang dedicated a monument to the program's 30th anniversary.

Attending the opening session of the four-day national meeting of 10,500 farmers were President Kim Il-song, People's Armed Forces Minister O Chin-u, Premier Kang Song-san, Vice Presidents Yi Chong-ok and Pak Song-chol, and Party Secretaries Kye Ung-tae, Han Song-yong and Choe Tae-pok. But Kim Chong-il, son and heir-apparent of the senior Kim, did not show up.

In a report lasting one hour and 20 minutes, Premier Kang called on all cooperative farm workers to pursue reforms and agricultural advances, while upholding the party's agriculture-first policy. "We must make an uninterrupted movement forward along the revolutionary path" charted in President Kim's socialist agriculture program, Kang exhorted.

Kim Il-song, in a letter to the meeting, called for intensified ideological reform among farmers, a switch from cooperative ownership of farmland to a popular ownership system and increased farm production, while stressing the need to industrialize farming and incorporate farmers into the proletariat.

Participants in the meeting spent three days discussing the tasks laid out by Kim in his letter and resolved to carry them out.

At the closing session on Feb. 28, they pledged their loyalty to Kim Il-song and his son, Chong-il.

North Korea's media, both print and electronic, played up the functions celebrating the 30th anniversary of the senior Kim's socialist farm program and the agricultural achievements of both Kims.

In a commentary aired on Feb. 25, Radio Pyongyang attributed the North's agricultural development in the past 30 years to Kim's socialist farm program and said it had been carried out successfully thanks to Kim Chong-il's "ideological and theoretical activities and sagacious leadership."

The Workers' Party newspaper, NODONG SINMUN, praised the Kims for their "solution of basic rural problems," while calling on farmers to perform the tasks President Kim mentioned in his letter to the national meeting of farmers.

In 1974 North Korea started holding an annual meeting of farmers in the off-season, which was changed to a meeting every five years in 1985. The 1995 meeting was moved up to this year to coincide with the 30th anniversary of Kim's agriculture program announcement.

Kim senior and junior were acclaimed during functions held at the turn of the month, as with past events in North Korea. No measures to develop the North's backward agriculture were mentioned, though farmers were urged to uphold the agricultural development concepts presented by Kim Il-song.

In spite of chronic food shortages due to several lean crop years, North Korea failed to present a realistic and effective farm development policy on the 30th anniversary of Kim's socialist agriculture program, instead sticking to past policies which have proven a dismal failure over the past 30 years.

While celebrating the 30th anniversary of the program, North Korea failed to draw up effective measures to increase farm production. Rather, farmers were simply exhorted to follow blindly the policy Kim launched three decades ago.

DPRK Experiments in Land Cultivation Rights

SK0603063094 Seoul CHOSON ILBO in Korean 6 Mar 94 p 11

[Article by reporter Kim Chae-ho]

[Text] It has been confirmed that North Korea is experimenting with privatizing cultivation rights for farmland in limited areas.

Relevant government authorities in charge of North Korean economic affairs on 5 March said: Since the second half of 1993, North Korea has been instituting, on a trial basis, a system for privatizing land cultivation rights for farmers in certain areas by which the North Korean authorities take a certain proportion of the harvested farm produce as a fee for the land and the farmers privately own the remainder of the farm produce.

The government official in charge of North Korean economic affairs said the government authorities have recently learned that North Korea has been secretly instituting this experimental reform measure in areas such as Hoeryong in North Hamgyong Province, where the residents are mostly political prisoners. North Korea is instituting this measure secretively on a family basis and is thoroughly cutting off the areas from the outside. The government official said: "North Korea seems to be experimenting on capitalist market economy principles by partly permitting cultivation rights and maintaining the present North Korean system to solve its serious food shortage problem." The official added, "North Korea selected the areas where political prisoners live for the experiment in order to closely study the possible effect of the change on the maintenance of the present North Korean system through the people most critical of the present North Korean system."

Another expert on North Korean affairs commented: "This is a significant change as it represents signs of a North Korean experiment on new land reform for the first time in 36 years since private ownership and land cultivation rights disappeared in North Korea in 1958."

Japan's Hosokawa Calls President on Reforms

SK0703103094 Seoul YONHAP in English 1022 GMT 7 Mar 94

[Text] Seoul, Mar. 7 (YONHAP)—President Kim Yongsam received a telephone call from Japanese Prime Minister Morihiro Hosokawa on Monday afternoon, during which the Japanese premier congratulated the president on the recent passage of political reform bills through the National Assembly.

Chongwadae [presidential offices] spokesman Chu Tonsik said that in the telephone conversation that lasted about 10 minutes from 5:10 P.M., Prime Minister Hosokawa said he was extending deep respect to President Kim for the leadership and determination he displayed before the passage of the bills. President Kim said to Hosokawa he had emphasized on every opportunities that no national advancement can be attained without political reforms.

The spokesman said the president also expressed the hope that current trade frictions between Japan and the United States will be resolved in an instructive direction. Hosokawa, according to Chu, said that the two countries have diverse problems of their own and he would like to exchange opinions on these issues with President Kim during his upcoming visit to Japan.

This was the fourth telephone conversation between Kim and Hosokawa since President Kim called the Japanese premier on last Aug. 9 to congratulate him on his inauguration.

Organization Formed on Relations With Japan

SK0703004594 Seoul THE KOREA TIMES in English 7 Mar 94 p 8

[Text] Korea and Japan are seeking to establish a new economic relationship in the run-up to the 21st century by setting up a bilateral organization which will address a wide variety of pending issues between the two countries. The two countries, which will celebrate 30 tears of the restoration of diplomatic ties next year, will inaugurate the "Korea-Japan New Initiative for Economic Partnership (NIEP)" in April with its first meeting slated in Seoul.

The establishment of NIEP was agreed upon in last November's summit between President Kim Yong-sam and Japanese Prime Minister Morihiro Hosokawa in Kyongju. Officials of the two countries have since had a series of working meetings to discuss how it will be set up, what it will be called and what it is supposed to do.

"Although there have been some differences as to the function and title, we faced little difficulties in realizing the establishment of the NIEP," said a Korean official at the Economic Planning Board [EPB] who was involved in the project.

As shown in the title of the organization, the NIEP is expected to lay a solid groundwork for bilateral economic cooperation, looking beyond the present and reaching out to the 21st century, Korean officials say.

"Basically, Seoul and Tokyo will be able to discuss everything within the framework of the NIEP, from the bilateral trade imbalance to economic cooperation in the Asia-Pacific region," an EPB official said.

The NIEP appears similar to the Dialogue for Economic Cooperation (DEC), economic cooperation talks between Seoul and Washington, which the new administrations of Korea and the United States launched last year. But the NIEP differs from the DEC in that the latter is supposed to be disbanded after a certain period while the former will be in operation over a longer period.

Officials say both the NIEP and DEC were designed to address bilateral economic issues but the former will be more comprehensive than the latter. In the NIEP, Korea and Japan will tap assistant foreign ministers as their respective chief delegate with 10-odd officials of various ministries representing each country.

Two rounds of meetings will be held in Seoul and Tokyo this year but from next year, the two countries will hold meetings once a year in principle. What will be discussed in the meetings will be reported to President Kim and Prime Minister Hosokawa.

Peacekeeping Unit in Somalia To Return 17 Mar

SK0703080594 Seoul YONHAP in English 0746 GMT 7 Mar 94

[Text] Seoul, March 7 (YONHAP)—The South Korean peacekeepers in Somalia will withdraw about one month ahead of the recently revised schedule and return home next week, the Foreign Ministry said Monday. The 250-man "Evergreen" Unit will leave the African country aboard a chartered plane on March 17 and arrive in Seoul the following day, according to the ministry. The unit's equipment will arrive via ship and reach the port city of Pusan sometime next month.

The Evergreen Unit marked South Korea's first participation ever in a U.N. Peacekeeping Operation (PKO). It was dispatched to the strife-torn nation last July for a one-year tour of duty, but the Seoul government decided on an early withdrawal, around April, after scores of Western nations announced their intention to pull out. South Korea pushed up the withdrawal date to next week after similar decisions were made by the United States and other nations.

EU Moving To Revoke GSP Privileges on Some Exports

SK0703013394 Seoul THE KOREA TIMES in English 7 Mar 94 p 8

[By staff reporter Chae Hui-muk]

[Text] The European Union (EU) is moving to revoke Korea's generalized system for preferences (GSP) on exports of automobiles and textile products in retaliation for alleged import restrictions on European cars and furs. On the other hand, the EU has been conducting investigations into alleged dumping-margin sales of Korean products in EU member nations.

According to a dispatch from the Korea Trade Promotion Corporation (KOTRA) branch in Brussels, the EU executive committee said in a report on the bloc's automobile industry that European car manufacturers have found it difficult to export their products to Korea due to the high tariffs and excise tax plus the frugality campaign aimed at curbing imports of luxurious foreign cars.

The committee claimed that Korean makers sold 90,000 cars in Europe compared to 532 units sold by European manufacturers in Korea last year. To retaliate against the alleged import restrictions, the EU is considering revoking the GSP for Korean cars from July, the KOTRA dispatch said.

An Association of European Automakers (ACEA) also revealed last week in a Belgium newspaper that they are considering investigating dumping margin sales of Korean car exporters, the Korea Foreign Trade Association said.

A Trade-Industry-Energy Ministry official said the major reason why European car sales are poor here is their high prices amounting to 70 million won or more a unit. He cited an increase of 40 percent in sales of U.S. cars last year, adding that Ford Sables are attractive to Korean customers thanks to their reasonable price of some 20 million won.

Aware of the EU's complaints about alleged frequent tax probes into owners of foreign cars because of the frugality drive, the official said, the tax administration chief in February made it clear that tax investigations would not be made for the reason of owning a foreign car to wipe out such suspicion.

He also said, "It's nonsense to revoke the GSP favor on autos for that reason." The official also noted that Korean automakers will not be hurt by the withdrawal of the GSP as they have already completed their exports to the EU under it.

The EU is also considering withdrawing the GSP favor on exports of Korean textiles from July in retaliation for the increase in tariffs on imports of European furs from eight percent to 19 percent for this year.

Leon Brittan, vice EC commissioner for external trade, claimed at talks with Foreign Minister Han Sung-chu in Seoul last November that the hike of tariffs violates the principle of the GATT and UR [Uruguay Round] accords which ban any increase in tariffs from the current level.

The EU has informally notified the Korean government that it will withdraw the GSP favor on Korea's textile products for six months, starting July 1, a high-ranking Foreign Ministry official said. The damages from such action are estimated at $30-50 million, he said, adding that the EU is expected to make a formal decision by the end of this month.

The EU in principle claimed that Hong Kong, Singapore and Korea should graduate from its GSP favors as they have outgrown their developing nation status, the official said, adding that the hike in tariffs on fur products cannot be used as a reason for scrapping the GSP favor on Korean textiles. But in a medium-term view, Korea is ready to graduate from the tariff benefits as it plans to join the Organization for Economic Cooperation and Development (OECD) in 1996, he explained.

The EU has recently announced it will impose a 70.6 percent tariff on large-sized aluminum-made batteries being exported by Daewoo Electronics and five other Korean firms on grounds that they have sold their products at below local market prices. The EU launched anti-dumping investigations into them last March.

"European excavator makers are expected to file a suit against alleged dumping-margin sales of Korean products this month," said Na Chan-yop in charge of European trade information at KOTRA.

Korea is the third largest anti-dumping sufferer with 16 cases under investigation or anti-dumping rulings, following Japan and China, Na said quoting EU statistics disclosed last year.

Na pointed out that domestic manufacturers should closely watch import trends in the bloc and Korea's market share to avoid anti-dumping rulings on their products in Europe.

He said, "Korea has followed Japan which showered its exports on Europe at cheap prices. China now follows Korea. As a result, the three countries face a large number of anti-dumping investigations and rulings in Europe."

Exports to China Decline After 15 Months

SK0703032094 Seoul YONHAP in English 0243 GMT 7 Mar 94

[Text] Seoul, March 7 (YONHAP)—South Korea's trade with China made a u-turn into the red in January after 14 months of surpluses, the Korea Foreign Trade Association (KFTA) said Monday. Items shipped to China that boosted South Korean trade last year were shaky as record-breaking imports from Seoul's neighbor far outpaced exports, officials said.

China imported goods totaling 348 million U.S. dollars in January, a 29.3 percent increase from the same month last year and disappointing compared to the 94.1 percent rise for 1993.

Imports by Korea, on the other hand, set a new high that month of 386 million dollars, 56.1 percent higher than a year ago and a stark contrast to the 5.5 percent increase for all of 1993. This led to a 38-million-dollar deficit with China for January. The last time the figure tilted in Beijing's favor was in November 1992.

KFTA officials attribute the result to China's policies on curbing overheated competition, which closed the door to new investments this year. In a bid to reduce its trade deficit, China is controlling imports of capital goods.

Meanwhile, Chinese farm products flooded the South Korean market in January, just in time for the new year celebrations.

"The astounding export increase last year to China kind of saturated the potential of South Korean goods," said one official. "Unless we find a breakthrough, like automobile exports, our sales to China cannot but be stunted."

Exports to China grew 71.4 percent in 1991 and 161 percent in 1992. The figure climbed to as high as 150 percent in the first half of last year but has fallen to 20-80 percent since then.

PRC Boat Crewmen Said To Raid ROK Fishing Boat

SK0403234294 Seoul TONG-A ILBO in Korean 4 Mar 94 p 29

[Report from Kwangju]

[Text] At around 0600 on 3 March [2100 GMT 2 March], a 135-tonne Chinese fishing freight ship, No. 29 Noyongmaeng (captain: Ku Son-su), collided with the a 90-tonne ROK fishing boat, No. 36 Sinsaeng (captain: Kim Tae-pong), which left Yoju, on the sea 20 miles east of Chuja Island near Cheju Island. Seven to eight crewmen of the mother ship of Noyongmaeng, No. 6366 Noyongo, raided the ROK fishing boat Sinsaeng, taking money and goods. They were caught by a Navy and Marine police vessel as they fled.

According to the Mokpo Naval police and Naval authorities, the Chinese boat Noyongmaeng hit the ROK boat Sinsaeng in the aft side and while the crewmen of the two boats were discussing compensation, seven to eight crewmen of the Chinese boat Noyongo went on board the Sinsaeng and broke communication equipment, assaulted the captain, and demanded compensation for damages. They fled after taking 134,000 won and fishing nets.

Captain Kim of the ROK boat Sinsaeng revealed that damage caused by the Chinese crewmen amounts to around 20 million won.

Assembly Plans To Debate National Security Law

SK0503005494 Seoul YONHAP in English 0045 GMT 5 Mar 94

[Text] Seoul, March 5 (YONHAP)—The ruling and main opposition parties have agreed in the National Assembly that they will start working to revise or abolish the controversial National Security Law. The agreement came at a meeting Friday between floor leaders Rep. Yi Han-tong of the Democratic Liberal Party and Rep. Kim Tae-sik of the Democratic Party.

The meeting was called to discuss issues the two sides left out when they adopted revised political bills in a special National Assembly session which ended Friday night.

The floor leaders agreed to have the Legislation and Judiciary Committee undertake preliminary work on possible revision or abolition of the security law.

The National Security Law entered the spotlight in recent days when Secretary of State Warren Christopher and another senior U.S. official urged South Korea to repeal the law as part of efforts to improve human rights. The law, enacted to deter North Korean espionage and other seditious activities against the South, was often perceived as an instrument of human rights abuses by past administrations headed by retired generals.

"The floor leaders of the two parties have agreed to let the Legislation and Judiciary Committee form a subcommittee to discuss the National Security Law as they agreed to do so in principle last year," said Kim Tae-sik.

As a result, the committee is scheduled to hold a plenary session Saturday to form the proposed subcommittee.

The two parties agreed to discuss possible revision or abolition of the law last year when the National Assembly revised the law on the Agency for National Security Planning.

Justice Ministry Upholds Law's Validity

SK0503035494 Seoul SEOUL SINMUN in Korean 5 Mar 94 p 2

[Text] In connection with the mention of a need to "abolish the National Security Law," by one U.S. Government official after another, the ROK Government stated on 4 March: "The National Security Law is an inevitable and minimum apparatus for defending the free democratic system in our country." Today, the Justice Ministry released a statement on the "Government's Position on the National Security Law." In the document, the ministry states: "Continuous mention of a need to abolish the National Security Law, when a delicate security situation prevails because of the North Korean nuclear issue, is not beneficial to our national interests."

Regarding the allegation that the National Security Law is abused to violate human rights, the Justice Ministry also said: "When this law was revised in 1991, the purposes of the National Security Law were specified, and the scope of the application of this law was restricted significantly, so that the law ensures that people's basic human rights are defended to the utmost." The ministry added: "The government will strictly execute the law and make continued efforts to prevent the violation of human rights."

Dissidents insist that, "The law describes North Korea as an antistate organization, at a time when the North-South agreement has been signed. Therefore, the law stands in the reunification's way." In response, the Justice Ministry says: "The National Security Law does not automatically consider North Korea an antistate organization. Furthermore, the laws on North-South exchange and cooperation positively guarantees peaceful exchange and cooperation."

The ministry also said: "If North Korea abandons its strategy on perpetrating a communist revolution in South Korea and if North- South relations develop into relations of reconciliation and cooperation, the government will seriously reexamine the law."

Official: Law Cannot Be Abolished

SK0703033694 Seoul KBS-1 Radio Network in Korean 0310 GMT 7 Feb 94

[Text] A high-ranking Chongwadae [presidential office] official today revealed there is no change in the government's existing position that the National Security Law cannot be abolished, as there was no significant change in the situation.

This official said that some people hold that the Security Law should be abolished and the pertinent articles be absorbed into criminal law. However, the criminal law stipulates that the act of espionage must be committed between nations. Therefore, the article in the Security Law that defines North Korea as an antistate organization, not as a state, cannot be absorbed into the criminal law.

Intelligence Official Named New Air Force Chief

SK0703082794 Seoul YONHAP in English 0813 GMT 7 Mar 94

[Text] Seoul, March 7 (YONHAP)—The government has appointed Air Force Gen. Kim Hong-nae, director of the Defense Intelligence Agency, as Air Force chief of Staff to succeed Cho Kun-hae, who died last Saturday in a helicopter crash. President Kim Yong-sam presented Air Force chief of Staff credentials to Kim Hong-nae, whose appointment was approved at a morning cabinet session.

Kim, 55, was born in Koje, Southern Kyongsang Province, also President Kim's hometown. He graduated with the 10th class of the Air Force Academy and built up experience and knowledge as a member of jet fighter squads. He has served as vice commander of the Combat Air Command, deputy chief of Staff for personnel, deputy chief of Staff for intelligence and vice chief of Staff.

Kim has a son and a daughter with his 49-year-old wife, Kim Kyu- yong.

Governor, Mayor Dismissed in Charity Scandal

SK0503012094 Seoul THE KOREA HERALD in English 5 Mar 94 p 2

[Text] The government yesterday dismissed Kyonggi provincial Gov. Yun Se-tal over the recent scandal surrounding the misappropriation of public donations to charity by officials at some countries under his control.

Yi Kyong-ho, assistant minister of home affairs, will be named new Kyonggi governor, a government spokesman said.

The government also sacked O Song-su, Songnam City mayor who is being dismissed for his "problematic" wealth accumulation, and Kim Hak-kyu, Hwasong County chief, with regard to the charity scandal, the official said.

Ha Yong-su, director-general of transportation and tourism affairs at Kyonggi provincial government, will receive disciplinary measures, according to the spokesman.

The dismissals came after the Home Affairs Ministry completed Thursday its 10-day inspection of affiliated organizations including Kyonggi provincial government over the misappropriation of charity funds.

The ministry's inspection was undertaken after the Board of Audit and Inspection announced last week that some government agencies had misappropriated charity funds donated by the public for other purposes.

The dismissed governor had used donations for the poor for personal expenses and O was found to have forcibly collected 3.9 billion won from construction firms as charity funds, the spokesman said.

Agricultural Official Faces Embezzlement Charges

SK0503010594 Seoul YONHAP in English 2346 GMT 4 Mar 94

[Text] Seoul, March 5 (YONHAP)—The supreme public prosecutor summoned the chairman of the National Agricultural Cooperatives Federation (NACF), Han Ho-son, Friday night and questioned him overnight about allegedly embezzling part of a 300 million won slush fund he had set aside from the budget for an NACF branch.

The prosecutor's office is expected to seek an arrest warrant for Han, 58, Saturday after further questioning him on the alleged misappropriation of the slush fund, its exact amount and its use.

Officials at the prosecutor's office said Han built up the slush fund by misappropriating NACF budgets set for local branches between April 1991 and October 1992. The officials said their investigation showed that the fund amounted to 300 million won, of which Han allegedly embezzled 180 million won.

Prosecution Questions Han Ho-son

SK0703080194 Seoul YONHAP in English 0722 GMT 7 Mar 94

[Text] Seoul, March 7 (YONHAP)—The Prosecutor General's office on Monday continued questioning Han Ho-son, chairman of the National Agricultural Cooperative Federation (NACF) who was arrested Saturday on suspicion of creating and misusing a slush fund. Prosecutor-general Kim Tae-chung also wanted to know whether Han received any bribes when appointing heads of NACF branch offices. In addition to building up the slush fund by misappropriating money from the budgets of NACF provincial and city branches, the prosecutor suspects Han, 58, may have added billions of won more to the fund by receiving commissions and payoffs from construction companies for various NACF building projects.

The presidential office at Chongwadae, meanwhile, brushed aside allegations that Han was being prosecuted for political reasons. "There was no political intention for Han's arrest," said one senior Chongwadae official. "It's preposterous to suggest that Han is being made the target of an unjust investigation." There has been speculation that Han, as the leader of the nation's powerful farm organizations, incurred the wrath of the Kim administration with his uncompromising stance on opening the domestic rice market to imports and other farm policies following the Uruguay Round of trade negotiations.

The prosecutor plans to summon officials from four to five large construction companies, NACF accountants and heads of NACF provincial and city branches for questioning in this connection, sources said. "Apart from the 360 million won Han admitted to having set aside as a slush fund, we have found that he misappropriated about 10 million won a month from the NACF's budget," said one investigator at the prosecutor's office. "We plan to find out the exact size of the slush fund and its uses by tracing his personal bank deposits," he added. The prosecutor's office is also looking into the possibility that Han may have embezzled public funds from the NONGMIN SINMUN (farmers newspaper) and Nongmin Co. He is president of both companies.

In a related development, the ruling Democratic Liberal Party [DLP] decided at a party postholders' meeting Monday to urge the government to conduct a thorough investigation of Han and possible systematic irregularities at the NACF. The NACF must be transformed into an organization that can act as a real spokesman for the nation's farmers, the DLP said.

"On the occasion of chairman Han's arrest, systematic irregularities at the NACF have to be cleaned up and the current investigation should not leave any trace of suspicion," said DLP spokesman Ha Sun-pong after the meeting. With regard to allegations that Han paid off more than 100 politicians, DLP Secretary-general Mun Chong-su said, "the party will study taking possible action against anyone who is implicated in the prosecutor's investigation."

The main opposition Democratic Party [DP] also urged the government to investigate Han and the NACF thoroughly, clear up any suspicions and severely punish those found guilty of wrongdoings. DP Chairman Yi Ki-taek said, "Since (the government) started this investigation (of the NACF), it has to do a complete job." The government should also take this opportunity to investigate other organizations run along similar lines as the NACF, Yi said. DP spokesman Pak Chi-won urged a thorough investigation, saying: "There was an allegation that 2 million to 3 million won apiece had been offered to 110 ruling party candidates during the last parliamentary elections, and large amounts of political funds had flowed into the political circle."

Government Accelerates Reorganization Work

SK0703054794 Seoul YONHAP in English 0506 GMT 7 Mar 94

[Text] Seoul, March 7 (YONHAP)—The government is speeding up its work on administrative reorganization, with an eye to finishing the job by month's end.

As the state council approved the Trade, Industry and Energy Ministry's reorganization plan at a meeting on Monday, the Government Administration Ministry will urge other ministries to submit their restructuring plans as soon as possible.

The schemes of the Economic Planning Board and the Korean National Railroad have already been approved by the state council, and those of the Justice, Labor, Transportation, Communications and Environment Ministries and of the National Tax Administration, the Military Manpower Administration and the Korean industrial property office are now in the Government Administration Ministry's hands and are ready for examination by the state council.

The government will finish the reorganization by month's end without making any changes in civil service strength from the present level, Government Administration Ministry officials said.

Farmers Polled on Plans After UR Agreement

SK0703114394 Seoul YONHAP in English 0939 GMT 7 Mar 94

[Text] Seoul, Mar. 7 (YONHAP)—South Korean farmers have grown less enthusiastic about their occupation following the conclusion of the Uruguay Round [UR] talks. An opinion poll taken by the National Agricultural Cooperative Federation toward 2,000 farmers at the end of last year showed on Monday that 35.1 percent of the respondents said they would reduce their farming scale to a point where they could obtain food grains of their own need only. On the other hand, 45.1 percent replied they would continue to engage in farming as now even after the Uruguay Round agreement.

Those who said they would give up farming altogether accounted for 9.2 percent of the total and 10.5 percent said they would delegate their farmlands to some ones else. Those who said they would abandon farming were mostly those with tiny farmlands. Those with relatively large farmland areas said they would continue farming.

Regarding the issue of whether to allow non-farmers to possess farmlands, 54.1 percent favored non-farmers' possession in the interests of the buildup of farming competitiveness. But, 30.7 percent of the questioned said they were against it because it runs counter to the traditional principle of "farmlands for farmers."

Foreign Exchange Trade Reportedly 'Surging'

SK0703013694 Seoul YONHAP in English 0108 GMT 7 Mar 94

[Text] Seoul, March 7 (YONHAP)—Foreign exchange trading by Korean banks is surging along with the country's developing financial structure and wider market opening.

Inter-bank foreign exchange transactions grew as much as 136 percent last year and the role of Korean banks in these deals has strengthened greatly, the Finance Ministry said Monday.

Foreign exchange transactions were worth 587.8 billion U.S. dollars last year, up 39.8 percent from 420.4 billion dollars in 1992.

Trade volume, which was 332.2 billion dollars in 1990, grew 9.1 percent to 352.5 billion dollars in 1991 and 19.3 percent to 420.4 billion dollars in 1992, but last year's two-digit rise was chiefly attributed to the foreign exchange liberalization measures initiated from 1993, Ministry officials said.

Daily inter-bank trading averaged 1,172 million dollars last year, up 135.8 percent from 497 million dollars a year earlier. Daily volume totaled 1,859 million dollars in January and 2,134 million dollars last month.

Spot transactions that stood at 344 million dollars a day in 1992 expanded 71.5 percent last year to 591 million dollars while forward trading surged 279.7 percent to 581 million dollars from 153 million dollars. Forward exchange transactions that require underlying documents kept growing this year to total 1,013 million dollars in January, exceeding 846 million dollars in spot dealings.

Forward trading reached 1,514 million dollars in February, compared with 1,082 million dollars in spot deals, with the preference for futures reflecting the Korean foreign exchange market's further advancement, officials said.

In addition, local banks accounted for 63.2 percent of inter-bank transactions last year, up from 51.7 percent in 1992.

Under a three-phase financial liberalization plan that took effect last October, the daily fluctuation band of the inter-bank foreign exchange rate was widened and underlying document requirements for forward contracts relaxed.

Bank Reports External Debt Below $10 Billion

SK0503015594 Seoul YONHAP in English 0136 GMT 5 Mar 94

[Text] Seoul, March 5 (YONHAP)—South Korea's net external debt fell below 10 billion U.S. dollars in 1993 for the first time in three years thanks to an increase in the country's foreign reserves, the Bank of Korea said

Saturday. Net external debt, the amount remaining after subtracting foreign reserves from total external debt, decreased from 11.1 billion dollars at the end of 1992 to 7.98 billion dollars last year.

Foreign reserves soared last year as foreigners' investment in stocks increased and the current account posted a surplus, thereby reducing the nation's net foreign debt. Foreign reserves, which include foreign exchange holdings and overseas stocks and bonds, reached 36.1 billion dollars at the end of last year, up 4.38 billion dollars from the year before.

South Korea's balance of current accounts recorded a 450-million-dollar surplus for the first time in four years, while foreigners invested 5.7 billion dollars in stocks here, increasing the country's foreign reserves.

Meanwhile, total external debt rose 1.26 billion dollars to 44.08 billion dollars at the end of 1993, from 42.82 billion dollars a year earlier. Long-term foreign debt rose by 760 million dollars from 24.31 billion dollars in 1992 to 25.07 billion dollars, while short-term debt increased 500 million dollars to 19.01 billion dollars.

South Korea's net foreign debt decreased to 3.02 billion dollars in 1989 when the nation enjoyed a large current account surplus, but increased again to 4.85 billion dollars in 1990 and 11.95 billion dollars a year later.

Brunei, Malaysia & Singapore

Malaysia

Minister Comments on Peacekeepers for West Bank

BK0703072194 Kuala Lumpur BERNAMA in English 0623 GMT 7 Mar 94

[Text] Kuala Lumpur, March 7 (OANA/BERNAMA)—Malaysia has not received any official proposal from the United Nations (UN) to station peacekeepers in the West Bank to protect Palestinians. Foreign Minister Abdullah Ahmad Badawi said if the UN decided to send peacekeeping troops to the West Bank, Malaysia would consider participating since it already had such commitments in other countries. Until now, the government has not received any official proposal from the UN and if there is any it will be channelled through the UN office, he told reporters in the northern Penang state Sunday.

However, he said, the decision to send Malaysian soldiers to serve under the UN would be up to Defence Minister Najib Razak and the cabinet.

Leadership Debates UK Trade Retaliation Threat

Trade Minister Responds

BK0603121894 Hong Kong AFP in English 1141 GMT 6 Mar 94

[Excerpts] KUALA LUMPUR, March 6 (AFP)—Senior Malaysian ministers said Sunday they were prepared for retaliation by Britain for Malaysia's boycott of British firms, but warned that such a move would hurt bilateral ties. [passage omitted]

Malaysian International Trade Minister Rafidah Aziz Sunday warned that British firms would end up the major losers, as any retaliation from London would cause more unemployment in Britain.

"Many countries are ready to supply Malaysia's needs if Britain bans trade and investment in possible retaliation for the boycott," Rafidah was quoted by BERNAMA news agency as saying in northern Ipoh town. Malaysia, she said, would have no problem getting new foreign investments and the economy would not be affected.

"We can obtain supplies of medicines and weapons from countries like Switzerland, Germany, America, Russia, Japan and France if Britain retaliates," Rafidah said.

Calls have intensified for the Malaysian government to seek a full apology and sue the SUNDAY TIMES and its editor, Andrew Neil, for the February 20 article.

Ling Liong Sik, Malaysian transport minister and president of the ethnic-Chinese Malaysian Chinese Association—a major partner in Mahathir's ruling coalition—said Neil's denial that the article had not accused Mahathir of accepting bribes, was unacceptable, "ridiculous and unbelievable.

Badawi: Government Prepared

BK0703105094 Kuala Lumpur BERNAMA in English 0320 GMT 7 Mar 94

[Text] Kuala Lumpur, March 7, (OANA/BERNAMA)—Malaysia is prepared for any possible retaliation by Britain to its decision to ban British companies from new government contracts, Foreign Minister Abdullah Ahmad Badawi said Sunday. However, he added, it would be very unfortunate if the British government adopted retaliatory measures because the Malaysian action was not directed at the British Government. Abdullah made the statement after British Foreign Secretary Douglas Hurd reportedly indicated that the British Government might take retaliatory measures. [passage omitted]

We are not hasty in our action against the allegations but we cannot allow the British media to publish baseless statements, he told reporters after presenting Id festival aid to poor people in the northern Penang state. Abdullah said Malaysian leaders had to defend their dignity by taking action owing to the allegations by influential newspapers in Britain.

The action by the Malaysian Government resulted from the attitude of the Western media which forced the country to act, he said. Abdullah said the government would wait and see what action the British Government would take in the matter.

Any action by the British Government should be directed at the media which brought about this problem between the two countries and should not be a retaliation against this country, he said. He said that if the British Government took retaliatory measures against Malaysia, bilateral relations would be strained and subsequently Britain would be the loser.

Ban on UK Firms Not Against GATT

BK0703101194 Kuala Lumpur BERNAMA in English 0839 GMT 7 Mar 94

[Text] Kuala Lumpur, March 7 (OANA-BERNAMA)—Malaysia is not contravening rules of the General Agreement on Tariffs and Trade (GATT) by barring British firms from government contracts, Primary Industries Minister Dr. Lim Keng Yaik said Monday. This is because Malaysia is not a GATT signatory on procurement, which stipulates that a country opens its contracts to free competition, he told newsmen after the presentation of prizes for the sixth national furniture design competition here.

However, we have not slapped any trade sanction on Britain and the private sectors of both countries are free to trade with each other, he said in response to queries that a British firm had stopped its order of furniture from Malaysia. Asked whether this was a retaliation from the British company, he said, we are not afraid ..... We are ready to face any consequences. .. It looks like the British firm has succumbed to the emotional effect of the patronising attitude of the British press. He said Britain was only a small market as far as Malaysian commodities were concerned, adding that efforts had always been underway to diversify export markets of local products, meaning which the action of the British firm was unlikely to have any impact.

Dr. Lim, however, said he was compiling the list of commodities being sold with Britain which would be presented to the cabinet if the need arose for information on commodities traded with that country.

He also said that the action by the government showed Malaysia's daring in questioning the values that the British press has set, which are alien to us and which they insist we uphold.

Deputy Prime Minister Comments

BK0403125294 Kuala Lumpur NEW STRAITS TIMES in English 3 Mar 94 pp 1, 4

[Excerpts] Kuala Lumpur, Wed.—Datuk Sri Anwar Ibrahim said the decision not to give new contracts to British companies only involves government contracts and procurements and does not include the private sector and education. The deputy prime minister said the decision was reaffirmed by the cabinet at its meeting today. [passage omitted]

Anwar said the clarification was made in view of the various reports which appeared in the media after the announcement. Some ministers and agency heads had issued separate comments on the matter and this needed clarification, Anwar said.

Asked whether the cabinet today had revised the decision, Anwar said that there was no reason to revise it right now. He said: "The cabinet at its weekly meeting today reaffirmed its decision made last week to cease awarding new contracts to British companies. [passage omitted]

"We would like to state that the British Government aid—both in the form of grants and concessionary loans—are meant to subsidise British companies to make their bids more competitive. In the case of the Pergau Dam (hydroelectric project), no grant was involved but only concessionary loan for the purchase of equipment sourced from the UK.

"Our relations with the British Government is not affected. Let me state that the dispute was also not about press freedom. But press freedom is certainly not a licence to fabricate lies. We are not in the habit of sending journalists to jail as charged by one of the British newspapers.

"It is also amazing that the SUNDAY TIMES, London, could publish a report alleging the Malaysian Prime Minister taking a U.S. $50,000 (RM [Malaysian ringgit] 135,000) bribe from Whimpey International for a project that is non-existent.

"The violent reactions of some sections of the British media to our action since the past few days are, indeed, revealing. It is not only ignorance about this country that still abounds, but some even resorted to comments with racist undertones. They confirmed our worst suspicion. Thus, good sense and pragmatism prompt us to deal with firms from countries that treat us with fairness, respect, and as equal," he said.

Asked to cite specific examples of the racist undertones which he felt was seen in the British media, Anwar said there have been allegations that Prime Minister Datuk Sri Dr. Mahathir Mohamed was anti-colonial and that he was said to be unhappy for not getting a scholarship to study law in the United Kingdom. [passage omitted]

Anwar said that doubts were also raised as to whether the deputy prime minister was able to conduct a press conference in English considering that English was not his first language.

Asked whether he was aware of possible retaliation from the British, Anwar said that there had been no indication whatsoever of this possibility, adding that the problem was not with the British Government. He said: "As I have reiterated, our problem is not with the British Government, but with some sections of the British media, particularly those controlled by (Rupert) Murdoch." [passage omitted]

Asked whether the cabinet had decided which company would take over the job of building the Kuala Lumpur International Airport in Sepang since the Anglo-Japanese consortium's contract has been terminated, Anwar said this had not been decided yet. [passage omitted]

Asked whether the government decision would affect educational linkage between the two countries, Anwar said the government had no objections to the programmes conducted by the private colleges.

For instance, if MARA [Council of Trust for the Indigenous People] has plans to send 1,000 student to Britain, they must continue to do so, he said.

Singapore

Paper: U.S. Revival of Super 301 'Retrogressive'

BK0603143094 Singapore THE STRAITS TIMES in English 5 Mar 94 p 32

[Editorial: "Super-Charged To The Brink"]

[Text] PREDICTABLY, the United States has reintroduced the Super 301 trade law which will enable it to punish those trading partners that it claims obstruct unfairly the sale of US products in their markets. The decision, announced on Thursday by Trade Representative Mickey Kantor, is aimed primarily at cutting Japan's huge trade surplus with the US. This is not the first time that Washington has decided to threaten sanctions to extract concessions from Tokyo. In 1989, it used the same law against Japan to boost its exports in wood products, satellites and super-computers. Presumably, the US believes that it can prevail again without having to act on its threat of retaliation. Under-Secretary of Commerce Jeffrey Garten has said that Washington will be aggressive in seeking to increase its exports and open up the markets of its principal trading partners. Commercial interests, he added, had never been so important as they are now to US foreign policy.

Granted, Japan has been slow in taking steps to give foreign competitors a fair chance in its market. This has caused growing frustration in the US, which ran a trade deficit of US$60 billion with that country last year. But reviving Super 301 is a retrogressive step. As the secretary general of Gatt, Mr Peter Sutherland, remarked, it is misguided and dangerous. Instead of acting unilaterally, which will make the US open to charges of unfairness, Washington should be settling its disputes through multilateral mechanisms under Gatt. Unilateralism also violates the agreement reached at the Uruguay Round of trade talks last December. If it is applied to Japan, it can also be directed at other trading partners with which the US has trade friction. If this happens, it will undermine free trade, which must be preserved at all costs.

Super 301 is perhaps meant to pressure Japan ahead of the market- opening measures it has promised to announce soon. But by resorting to it, Washington is taking the obvious risk of having to carry out its threat of sanctions if Tokyo fails to make an offer that it considers acceptable. Even if it retaliates selectively under that law, this will do considerable harm to both sides at a time of economic slowdown. It will also weaken their political and strategic ties, which are essential for the stability of the Asia- Pacific region. Handling their disputes outside multilateral forums also means that the situation could get out of control since they are democracies and, thus, vulnerable to domestic pressure groups and public sentiment.

Fortunately, the procedures under Super 301 are such that it could take more than a year before Washington can activate punitive measures after it has blacklisted what it considers offending partners. There is no imminent danger of trade retaliation. But the issue must be resolved at the earliest to prevent tension from building up to a dangerous level. It is reassuring that President Bill Clinton wants to avoid sanctions, which he conveyed to Prime Minister Morihiro Hosokawa on the telephone before the law was announced. He has, nevertheless, put the ball in Japan's court without waiting for Tokyo to make its new offer.

Thus far, Japan has been indecisive in responding to US calls for greater market access. Rifts within the ruling coalition have sapped its ability to govern effectively. Mr Hosokawa's failure to reshuffle his divided Cabinet raises the question whether he can act firmly to defuse tension with the US. He and his coalition partners must heed the lead that has come from the private sector. Toyota plans to import US car parts to observe a voluntary target of US$6 billion in 1996. Other Japanese car manufacturers are also expected to be forthcoming. But it is imperative that the US does not make patently unfair demands, such as managed trade, now that it has revived Super 301. As the world's pre-eminent economic power, it must act responsibly.

Defense Minister on Spending, Russian Arms

BK0403144994 Singapore BUSINESS TIMES in English 4 Mar 94 p 2

[Text] Singapore will keep spending 6 percent of its gross domestic product on defence, despite a global downturn in military spending, says Defence Minister Yeo Ning Hong. "I do not foresee a reduction in future," he told Asia Airlines and Aerospace, a new trade magazine based in Kuala Lumpur.

Since soon after independence in 1965, Singapore had spent 6 percent of GDP on defence every year to "compensate for its limited manpower and small economy", Dr Yeo said. "We consider our defence expenditure as an investment for peace and security. Maintaining a high level of preparedness and operational readiness is essential to the stability and strength of our nation and enhances our attractiveness for investment and business."

Dr Yeo also said that Singapore would not rule out buying Russian arms, which have been marketed only recently. While Singapore knew little about Russian weapons, there could be some systems that could meet the Singapore Armed Forces' [SAF] needs, he said. "Singapore is prepared, where feasible, to explore non-traditional arms suppliers, including the Russian defence industries," Dr Yeo said. "This will increase the range of advanced systems available for consideration by the SAF."

Dr Yeo also said that Singapore would do its part to help uphold international law and order. "In line with this, the SAF will continue to participate in UN-led international operations." But he said that due to manpower constraints, Singapore's contribution would always be limited.

Cambodia

Government Forces Launch Attack on Pailin

BK0703081594 Hong Kong AFP in English 0737 GMT 7 Mar 94

[By Jim Hatton]

[Excerpt] PHNOM PENH, March 7 (AFP)—Government forces have begun the long expected offensive against Pailin, the last remaining stronghold of the extremist Khmer Rouge guerrillas and a senior official here predicted Monday it would be captured "very soon." The three-pronged assault was launched Saturday by hundreds of troops backed by tanks and heavy weapons on the gem mining center in northeast Cambodia on the border with Thailand, the government official said.

The fighting was said to be fierce and casualties were expected to be heavy, in part because the area is known to be heavily mined, he said. "We cannot escape a lot of casualties. We know that a lot of our soldiers will be killed or wounded," the official said. "But we must do this for the defense of Cambodia. There is no other way to end the war with the Khmer Rouge except fighting," he added. "We know the Khmer Rouge very well. They talk this and they do that."

Government forces were attacking Pailin from the north, south and east, he said, while an elite unit of some 200 paratroopers had been strategicly stationed west of Pailin to cut off the guerrillas possible retreat into Thailand. Pailin is about 10 kilometers (six miles) from the border with Thailand. General Ke Kimyan, the army's chief of staff, was personally directing the assault force, the official said. "We will take Pailin very soon," he said.

He did not specify the size of the assault force, but said it was larger than the contingent that had taken the Khmer Rouge stronghold of nearby Anlung Veng last month.

Government troops attacking from the north had earlier taken control of Sala Krau, 10 kilometers (six miles) from Pailin and were using that as a springboard to hit the main target, he said. Similarly, the force advancing from the south had earlier captured Samlot, 20 kilometers (12 miles) away and were using that as their base, he said.

The third force was advancing from the east along Road 10, the official said. No casualty figures from the Pailin fighting had reached the capital yet, the official said. But he said more than 200 government soldiers had died in the battle for Anlung Veng.

The government has denied reports that Anlung Veng has been recaptured by the Khmer Rouge, saying they had made a strategic withdrawal because of shelling and that the guerrillas had not actually moved back into the city. Anlung Veng is some 230 kilometers (140 miles) to the northeast of Pailin, and is unlikely to affect the fighting there. [passage omitted]

Thai Troops Said To Help KR Retake Anlung Veng

BK0603123094 Hong Kong AFP in English 1148 GMT 6 Mar 94

[By Kevin Barrington]

[Text] KONG KREAL, Cambodia , March 6 (AFP)—Cambodian officials said Sunday the Thai military helped Khmer Rouge [KR] guerrillas, backed by tribesmen, recapture a major base in northern Cambodia which was taken by government forces early last month.

"Thai military helped fresh Khmer Rouge troops come through Thai soil from Pailin," General Khin Yean said referring to the Khmer Rouge's main headquarteres in northwest Cambodia.

The general said there was no doubt the guerrillas were helped by the Thai military in retaking the base at Anlung Veng which served as the Khmer Rouge's headquarters for guerrilla operations in north and central Cambodia.

"I am 100 percent sure, not 99.9 but 100 percent sure," the general said, speaking at this rear control base about 50 kilometres (30 miles) west of Anlung Veng.

All around the base troops were carrying out repairs on tanks and bringing up supplies for what government officers said would be an imminent government counterattack. The general was emphatic in saying he did not blame the Thai government for Phnom Penh's defeat at Anlung Veng.

"But we blame the Thai military and Thai businessmen who co-operate together to make money from logs," he said.

The fresh Khmer Rouge troops, who numbered up to 500, were joined by small groups of guerrillas from surrounding areas and by several hundred hill-tribe fighters, the general said. Government troops said they were frightened by the hill-tribesmen. "We shot at mountain people but they kept on coming, it's like they were not afraid to die," said one soldier, who retreated through the jungle for two days without food and water.

"I think the Khmer Rouge gave them some special medicine and they get drunk. They came at us like they didn't seem to care, like life was not important," private Penn Nouvat said. Some of the Montagnards were in Khmer Rouge uniform but others were dressed in civilian clothes, government soldiers said.

General Khin Yean said the Montagnards were from the Kouy tribe who came from Cambodia's remote northern and northeastern provinces. Ta Mok, the notorious one-legged Khmer Rouge general and commander of Anlung Veng, hired them as mercenaries and was paying them handsomely, he said. The Khmer Rouge were not short of money, he said, as they sold concessions to log in the rich forests surrounding Anlung Veng to Thai business interests, many of them controlled by the military.

A government official in the provincial town of Siem Reap said the Thais were helping the Khmer Rouge as they had a lot of money tied up in logs that had been cut but were still lying on the ground around Anlung Veng.

"There was about 150,000 cubic meters of wood lying there when we went in and a cubic meter (35 cubic feet) of top quality timber sells for around 80 US dollars," the government official said. Government officers confirmed reports that trucks crossed over from Thailand to start collecting the wood soon after the base was recaptured by the Khmer Rouge on February 24. Government officers said the guerrillas were equipped with sophisticated anti-tank weaponry, which they believed to be German made "Armburst" anti-tank missiles.

"I think that Thailand sold this kind of weapon to the Khmer Rouge because we have never seen them use it in action before," tank commander General Ben Hort said. But a government military source in Phnom Penh said the weapons may have been given to the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] forces and the non-communist Khmer People's National Liberation Front (KPNLF) and then sold to the Khmer Rouge who were their allies in the resistance war against the Phnom Penh regime.

The war ended with the signing of the 1991 Paris peace accords which paved the way for United Nations supervised elections and the formation of a coalition government made up of the Phnom Penh regime, FUNCINPEC and the political wing of the KPNLF.

Prime Ministers' Letter to Sihanouk on Health

BK0603145294 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 6 Mar 94

["Letter from the Royal Government of Cambodia to His Majesty Norodom Sihanouk Varaman, King of Cambodia;" dated 3 March—read by announcer]

[Text] To Your Revered Majesty:

After having received Your Majesty's message dated 27 February 1994, we, the Royal Government of Cambodia [RGC] and the public servants and people who are your children throughout the country, have been very anxious and terribly concerned over your health conditions.

Your life is priceless and your initiative is fine to build the nation and country toward prosperity in all fields, especially to achieve national reconciliation and reinforce peace and political stability for the beloved Cambodian motherland.

On behalf of the RGC, we pledge to pursue your advice and are determined to sacrifice all our physical and moral efforts to following Your Majesty in building the Kingdom of Cambodia toward prosperity.

Moreover, on behalf of the RGC and the Cambodian people of all strata, we pray that the Triple Jewels and all sacred things the world over, such as charisma of previous Cambodian kings and goddesses protecting the royal parasol, protect Your Majesty. May you enjoy the five blessings of Lord Buddha; that is, longevity, social prestige, happiness, strength, and enlightenment. Especially, may you recover quickly from your illness and have a long life so you can return and stay as the support for your beloved children and carry on your noble mission of leading the Cambodian motherland toward security, peace, and social progress.

[Dated] Phnom Penh, 3 March 1994
[Signed] First Prime Minister Norodom Ranariddh; Second Prime Minister Hun Sen

Radio Claims Massacre in Phnom Penh Suburbs

BK0503140394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Mar 94

["Open letter from the generals and colonels of the National Army of Independent Cambodia who are victims of the recent massacre at Stoeng Meanchey in Phnom Penh suburbs" dated 27 February—read by announcer]

[Text] I. As members of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and troops the ANKI [National Army of Independent Cambodia], we have complied with the rules and political program of the FUNCINPEC Party by writing a clear letter to inform the FUNCINPEC leaders of the massacre at Stoeng Meanchey and Choam Chau [Phnom Penh suburbs].
II. Many days have elapsed, but we have not received even a word of reply from them. They look down upon us as if we were cats or dogs.
III. We wrote that we were then waiting for an answer before making a final decision.
IV. It has been quite a long time now, but they have not given us any reply. This means that you regard us only as dogs. In fact, many of us died on the battlefield in serving them.
V. For this reason, we would like to declare here that:

A. We absolutely oppose Hun Sen and Chea Sim, lackeys of the Vietnamese communists.
B. We absolutely oppose the Vietnamese communists and the alliance.
C. We have now stopped serving as FUNCINPEC members and ANKI troops. We want to confirm that this is a permanent decision.

VI. As of today, do not seek our service again. Beware of your head! If the FUNCINPEC and ANKI leaders want to wage war like the Vietnamese communists, Vietnamese communist puppets, and the alliance, go out to

fight by yourself. As lackeys, you should go out to fight, fight, and fight for your masters. King Ranariddh, King Sereivut, and all those who are so good in waging war on the paper should go out to fight by themselves.
VII. We can find a plot of land for ourselves in the countryside. But all of you kings who have colluded with the Vietnamese communist puppets in plundering the nation will certainly be burried together with the dollars that you have stolen. You will never know how angry the ANKI troops and people are. You are just the ignorants. Go to hell! Go to hell!

[Signed] The victimized ANKI generals, colonels, colonel-ranking officers, and soldiers at Stoeng Meanchey and Choam Chau
[Dated] 27 February 1994

3 KR Leaders, Fighters Reportedly To Surrender

BK0603093694 Bangkok THE NATION in English 6 Mar 94 p A2

[By Somchit Sidurongkathum]

[Text] Phnom Penh—Three Khmer Rouge [KR] leaders and several hundred fighters have agreed to surrender to the Cambodian government next month, an informed source said. They would turn themselves in as soon as all the felled timber in the guerrilla-controlled areas had been dragged out by contractors. "It is expected that all logs will be removed by the end of March. Then in April they will turn themselves in," he told the NATION. "This includes three Khmer Rouge leaders and hundreds of their soldiers."

He declined to name these "leaders", saying only that Ta Mok, the one-legged hard-line leader of the guerrilla forces, would not be among them. He has reportedly abandoned his bases in Anlung Veng Province and moved to new headquarters at Trapeang Kul. The source said the three had set conditions for their surrender, but declined to give details. He said the U.S. government has agreed to provide army uniforms for guerrillas who defect to the government forces.

Khmer Rouge representatives in Phnom Penh were not available for comment.

Defense Minister Tea Chamrat and another high-ranking member of the government were understood to be due in Bangkok this weekend to discuss the surrender.

Khieu Samphan on RCG Strategy, Foreign Support

BK0703084094 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 6 Mar 94

["Telegram from Khieu Samphan, head of the party of Democratic Kampuchea, to His Majesty King Norodom Sihanouk Varaman of the Kingdom of Cambodia; dated 5 March—read by announcer]

[Text] With respects to His Majesty Norodom Sihanouk Varaman, king of the Kingdom of Cambodia.

Your Majesty: Immediately after the UNTAC [UN Transitional Authority in Cambodia]-organized elections, some people hoped that the bloody war would come to an end and that our country would have achieved national reconciliation and peace and embarked on national reconstruction. But, the flames of the war continue to flare up, burn our country, and cause massive destruction to our nation and people.

Our nation and the world community have been aware that immediately after it was formed in July 1993, the government with two prime ministers began to show its force in August by mobilizing the forces of both the Vietnamese communist puppets and para [Khmer People's National Liberation Front] groups to attack the regions of Phnum Chhat [Battambang Province] and Stoung [Kompong Thom Province], inflicting untold suffering to the local people. Entire family members were either shot dead, arrested, or beaten on their heads; old and young women were brutally raped; hundreds of houses or villages were burned down; cattle were shot at and farm tools were destroyed.

Starting from September 1993, the government with two prime ministers boisterously mobilized 70 percent of troops and 90 percent of military commanders out of their total forces in the country with 80 percent of their total arsenal, including tanks, artilleries, and multiple rocket launchers, to launch operations aimed at destroying the forces of Democratic Kampuchea [DK] in the region of Anlung Veng.

Foreign radio and newspapers kept reporting on this operation against Anlung Veng from mid-September 1993 through to 21 February 1994. Some countries even have gone so far as to expose their arrogance because they have directly given orders for the launching of those large-scale military operations at the Anlung Veng battlefield.

On the one hand, the people and DK national resistance forces have held to their unwavering position to abide firmly by the banner of national reconciliation of Your Majesty so Cambodia can achieve independence, peace, and neutrality within its territorial integrity. On the other hand, the people and DK national resistance forces have kept their good grasp of the situation knowing that these operations to continue kindling war is a part of the plan and strategy of the Vietnamese communists and the alliance aimed a seizing Cambodia for their respective strategic and political interests. The people know they cannot evade their sacred duty and have done their utmost to resist and smash this strategic criminal scheme. The people and the DK national resistance forces, with the support of the Cambodian people from all walks of life both at home and abroad, have been able—despite all kinds of difficulties and obstacles—to inflict one defeat after another on the large-scale operations by the Vietnamese communists, the alliance, and the two- headed government after many months of arduous struggle carried out in wave after wave of high spirits, patriotism, and responsiblity toward the destiny of our nation, people, and race. This continued until they were totally and completely smashed on 24 February.

I raise this Anlung Veng issue with only one thing in mind, that is, to inform your Majesty that the flames of war in Cambodia are still burning and seething. It is a war that the Vietnamese communists and the western alliance wage through the government with two prime ministers against the Cambodian nation, people, and DK national resistance forces. This is not a problem between Cambodians.

On the surface, it seems that the forces of the government with two prime ministers are fighting against the DK forces. But in fact, the government with two prime ministers is just an instrument of the Vietnamese communists and western alliance with the U.S., France, and Australia as chief perpetrators. They have provided money and war materiel to the government with two prime ministers for fighting in Cambodia in order to keep the flames of war burning and to block national reconciliation and national unity. In that way, the Vietnamese communists can carry on their strategy to annex Cambodia while the Western allies can have their hands in the internal affairs of Cambodia and turn it into their forum. All of this is as clear as day light.

At present, dignitaries from ill-minded countries have come one after another to Phnom Penh to talk only about providing military assistance to the government with two prime ministers. Chea Sim went to Hanoi at the beginning of this month and, using his capacity as acting head of state, signed with communist Vietnam the so-called military cooperation between Cambodia and Vietnam as in the 1979-90 period to allow communist Vietnam to send its troops, weapons, and ammunition to Cambodia in what they claim is a legal manner to continue the war for the destruction of Cambodia. At the same time, Hun Sen talks only about the plan to expand the army and attack, attack, attack.

The fact that the Vietnamese communists together with the alliance have used the forces of the government with two prime minister to launch large-scale operations against Anlung Veng and other zones in an attempt to destroy the DK forces is merely a dirty excuse. What is more important, however, is that deep down, they oppose national reconciliation, national unity, and peace in Cambodia.

The forces fighting against those major operations are those of our nation and people both in the countryside and in Phnom Penh who have been united in the struggle by all means through all forms, each one with his or her own possibility, because what everybody wants the most is national reconciliation, the end of the war, national unity, and the harmony of all national forces in all aspects.

In the past, that is, from the end of 1978 to 1991 or during the implementation of the Paris agreement, the DK party has done its utmost to put an end to this war as soon as possible. National and international public opinion have been aware of the political stand and attitude of the DK party.

Your Majesty has most graciously come up with the five-point proposal dated 21 November 1993. The entire Cambodian nation and people welcomed it. The DK party also welcomed and fully supported this proposal and has taken it as the political basis and key for resolving the Cambodian problem.

The DK party agrees to a cease-fire, to return all its liberated zones to the Kingdom of Cambodia, and to dismantle its own army. It calls for nothing more than the implementation of His Majesty's five-point guideline for national reconciliation and unity so our country will have sufficient forces to jointly solve national and social problems now and in the future.

Despite this, the government with two prime ministers, especially Hun Sen and the people's party of the Vietnamese communists, disagree. They have opposed the five-point proposal and keep demanding that the DK party fulfill the three-point ultimatum and they carry on the war to scorch Cambodia.

So far, the national problems have not been resolved while social problems worsen with each passing day. If this situation is to continue, if they continue to kindle war, what will the destiny of our nation and people and of our Kingdom of Cambodia be?

Cambodia will face the same fate as the frog swallowed up by the snake.

Your Majesty has already been aware of this situation and these problems. Your Majesty has even raised your voice for the benefit of our nation and people ever since December 1992. Your Majesty has successively paved the way for a solution, especially with your sacred five points.

Experiences in the past more than eight months have led the entire Cambodian nation and people to share the same view that under the present circumstances, Your Majesty is the only one who can come up with the decisive answer to remedy this situation by resorting to the celestial medicine that Your Majesty had applied in the 1952-53 period. There is indeed no one else than Your Majesty. Otherwise, Cambodia will turn into a chaotic abyss where there is only fighting and strangling at each other's throat under the evil claws of the Vietnamese communists and the allies until our nation disappears like Kampuchea Kraom [former Cambodian territory annexed by Vietnam].

Our nation and people from all walks of life in the countryside, in Phnom Penh, and abroad are waiting to support and to zealously and firmly march under Your Majesty's five-point banner for national reconciliation and unity which has now become that of our entire Cambodian nation and people.

Our entire nation and people are clearly aware that by making comparison of the forces, the forces of our nation and people with Your Majesty's five-point national reconciliation banner are by size the strongest that will certainly have the five points materialized.

As for the Vietnamese communists and the alliance, they are the foreign forces with, on their side, only a handful of Cambodians who are rejected and opposed by the Cambodian people everyday. The foreigners might have money and weapons, but they do not have the people. The people categorically oppose them. They are sinking lower and lower into the ground.

I would like to beg permission to sincerely submit the above for the consideration of Your Majesty out of a lofty sense of responsibility for the faith of the Cambodian nation and race with no consideration whatsoever of the interests and power for myself and my own party.

Please permit me and all members of the DK party to extend best wishes to Your Majesty for a quick recovery and perfect health so as to continue upholding your national salvation banner to achieve national reconciliation and rally all national forces to defend and perpetuate the Cambodian nation and race.

We wish the revered Queen good health so as to effectively stay beside the king, especially on this historic period.

Please forgive any inappropriateness.
[Dated] 5 March 1994
[Signed] Khieu Samphan, head of the DK party

Radio: 5,000 'Liberated' in Bavel Area

BK0703063694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 6 Mar 94

[Text] The National Army of Democratic Kampuchea, in cooperation with the people, attacked and swept the forces of communist Vietnam's puppets from Ampil Pram Daeum to Bavel [Battambang Province], and attacked and swept a number of other positions along Stoeng Mongkolborei river on south Sisophon battlefield on 3 March at 0530. We took control of:

1. a regimental position in Ampil Pram Daeum;
2. a battalion position in Takhe;
3. a company position in Phum Siem village;
4. a battalion position at (Takao Tamang);
5. O Kanhchos position;
6. Bat Khteah position;
7. Damnak Dangkao position;
8. a company position at Pongro;
9. a platoon position at Dangkao Pel; and
10. the (Kamat) position and the regimental position at Prey Khpuos along the Stoeng Mongkolborei river.

We killed 25 soldiers of the 6th Division and wounded more than 50 others. We destroyed 72 barracks built with concrete, four bridges used by the enemies for their tanks and for the transport of ammunition—namely the 25-meter-long O Kanhchos bridge, the 15-meter-long (Dangkao Tamang) bridge, the 8-meter-long Bat Khteah bridge, and the 12-meter-long Ampil Pram Daeum bridge.

We destroyed five military vehicles; two 60-mm mortars; 12 AK's; three B-41's; five B-40's; two DK-75 guns; and two ammunition depots, which burned for five hours.

We seized two 12.7-mm machine guns, two DK-75 guns, nine AK's, seven B-40 rocket launchers, six B-41 rocket launchers, over 200 assorted mines, 45 B-41 rockets, 15 B-40 rockets, 30 60-mm mortar shells, and some medicine.

At that time, the people declared the dissolution of the state authority of the communist Vietnam's puppets and appointed people to administer and ensure order in six villages, namely in Ta Mach, Dangkao Pel, Mak Khloeur, Prey Khpuos, Anlung Kak, and Pongro Ti Muoy. We liberated 5,000 people.

Railroad Cut in Battambang Province 25 Feb

BK0603090594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 5 Mar 94

[Text] On the night of 25 February, the people, who were furious with the Vietnamese communist puppets for shipping troops and ammunition by trains to attack and massacre them and plunder their property, cut off three stretches of railroad with a total length of 25 meters in an area between Moung and Kouk Trom in Battambang Province. They also cut off four other stretches with a total length of 200 meters in an area between Prey Svay and (O Krut) in the same province.

The people said only by doing so can the Vietnamese communist puppets be prevented from shipping troops and ammunition to attack and massacre them and plunder their property at will.

Indonesia

President Suharto Meets Bosnian Prime Minister

BK0503101494 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 5 Mar 94

[Text] The Muslim Government of Bosnia-Herzegovina hopes that more members of the Nonaligned Movement [NAM] will support Bosnia-Herzegovina in its struggle against Serbian and Croatian aggressors. Bosnian Prime Minister Haris Silajdzic expressed this hope before reporters after calling on President Suharto in Jakarta. He was accompanied by Foreign Minister Ali Alatas during the meeting. The Bosnian prime minister briefed the NAM chairman on the latest situation in Bosnia-Herzegovina. According to Haris Silajdzic, Bosnia-Herzegovina hopes that the NAM members will continue to extend diplomatic support to Bosnia-Herzegovina in the United Nations. Bosnia-Herzegovina is also hoping for humanitarian aid from the international community.

The Bosnian guest, who arrived in Jakarta yesterday, today received an assistance fund from the National Committee for Solidarity with Bosnia-Herzegovina. The fund was handed over by Probosutejo, the committee chairman.

Alatas, Silajdzic Hold Talks

BK0403161294 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 4 Mar 94

[Text] Bosnian Prime Minister Haris Silajdzic appreciates the spirit of Indonesian volunteers who are ready to go to Bosnia. He says, however, that Bosnia needs Indonesia's diplomatic and political support more urgently. Speaking to reporters after holding talks with Foreign Minister Ali Alatas in Jakarta this afternoon, Haris Silajdzic said he deeply appreciated the spirit of the volunteers. According to Silajdzic, the spirit of the volunteers is important because it reminds the Bosnians that they are not fighting alone. Bosnia, however, more urgently needs the diplomatic and political support of Indonesia as chairman of the Nonaligned Movement. According to the prime minister, the Indonesian volunteers will find it difficult to enter Bosnia because the country is in a critical condition.

Students Hold Rally To Condemn Muslim Killings

BK0603161094 Jakarta ANTARA in English 1400 GMT 6 Mar 94

[Text] Medan, March 6 (ANTARA)—Hundreds of Muslim University students in North Sumatra have condemned Israel and Serbia for the killing of Muslims in Hebron and Bosnia. The Muslim students from various institutions stated in a mass religious meeting here Saturday that they were ready to engage in a holy war (jihad) as volunteers for Bosnia.

The young Muslims also urged the government and the Indonesian Armed Forces (ABRI) to immediately prepare the sending of volunteers to Bosnia, expressed their support for Indonesia's effort to open diplomatic relations with the Bosnian Government and to sever diplomatic relations with Yugoslavia.

"We also fully support Indonesia's active role as NAM [Nonaligned Movement] chairman in urging the UN Security Council to punish Zionist Israel and Serbs over the killing of Muslims in Hebron and Bosnia, and call on Indonesian Muslims to give more material assistance for the struggle of Bosnian Muslims," they said.

An executive of the North Sumatra chapter of the Indonesian Islamic Propagation Council, Ilham, told ANTARA that his side has distributed hundreds of registration forms for volunteers to Bosnia.

"I am confident that the number of volunteers to Bosnia will continue to increase," he said, adding that his side has managed to raise funds totalling 155,000 rupiahs during the mass meeting. At least 35 university students have registered themselves to become volunteers to Bosnia.

Telecommunications Assistance Extended to Cambodia

BK0503101294 Jakarta ANTARA in English 0436 GMT 5 Mar 94

[Text] Jakarta, Mar. 5 (ANTARA)—Indonesia's state-owned domestic telecommunication company, PT [Company Limited] Telkom assists the Cambodian Government in making a telecommunication scheme for leasing a Palapa B-4 satellite transponder, president the company Setyanto P. Santosa said here Friday. For this purpose, he said, a Telkom engineer is now already in Cambodia, he told the press on the occasion of the current visit of Cambodian Telecommunication Minister [title as received] So Khun to Indonesia.

He said Telkom is drawing up a plan for the 120 channels on the leased transponder which would be serve as a telecommunication transmitter between the different towns in Cambodia. Telkom has also been asked to assist the operation and maintenance of various telecommunication means in that country.

The lease of a Palapa B-4 transponder by Cambodia was not the first one. Previously, Cambodia leased a Palapa B-4 transponder through Telstra, the Australian Telecommunication Corporation, according to an official of the Satellite Telecommunication Region (Witelsat), who preferred to stay anonymous.

But the lease through Telstra ended in December 1993, and now the project is directly handled between Cambodia and Witelsat which operates the Palapa B-4 satellite.

So Khun is currently in Indonesia since Thursday for signing a lease of one-eighth of the transponder (equivalent to 120 channels) at a rate of 283,712 U.S. dollars per year.

The contract was signed in Cibinong, West Java Friday with So Khun acting for Cambodia, while Indonesia was represented by head of Witelsat Bambang Setiawan. So Khun said his country is currently very busy with development, including of telecommunication. In this context, his government is enhancing the quality of Cambodia's human resources in the field of telecommuncation.

With regard to cooperation between the countries in Southeast Asia, Setyanto said Indonesia also plans to establish a telecommunication cooperation with Vietnam and Myanmar [Burma] which now have good prospects.

Fretilin Issues Challenge for Timor Referendum

BK0703084694 Melbourne Radio Australia in English 0100 GMT 7 Mar 94

[Text] The leader of the Fretilin independence movement in the Indonesian province of East Timor has challenged Jakarta to allow a referendum on self-determination in the former Portuguese colony.

Mr. (Niko Koni Santana) issued the challenge in a videotape which had been smuggled out of East Timor to the nearby Australian city of Darwin. Loraine Davies reports:

[Begin Davies recording] (Koni Santana) says that if, as Jakarta asserts, the people of East Timor have already freely determined their desire for integration, why is it so afraid of a referendum. He defies Jakarta to hold the referendum under UN supervision to establish the true wish of the East Timorese. He states the resistance undertakes to accept the outcome, whatever it may be, and also to give up their arms and themselves to the Indonesian authorities if the East Timorese vote for integration. [end recording]

Budget Deficit Seen as Oil Prices Decline

BK0603110594 Jakarta THE JAKARTA POST in English 22 Feb 94 p 8

[Text] Jakarta (JP)—The government will likely suffer a budget deficit this fiscal year due to the fall in oil prices and higher-than-expected spending. "It is almost certain that the state revenues will fall short of the initial estimate, while spending for routine activities will be higher than originally projected," Minister of Finance Mar'ie Muhammad said here yesterday.

The state budget for the 1993-1994 fiscal year, to end next month, should, by law, balance at Rp [Rupiah] 62.32 trillion (US$29.6 billion). Receipts from the oil and gas sectors are expected to account for 28.7 percent of the total revenue projection.

Mar'ie told reporters following a hearing with the Budgetary Commission of the House of Representatives (DPR) yesterday that the fall in oil prices will significantly reduce the government's income from oil and gas taxes, which are projected to reach Rp 15.12 trillion ($7.2 billion) in the current fiscal year. The estimate of the state receipts from oil and gas taxes is based on an average oil price of $18 per barrel, far higher than the realized average price of $16.50 in the first 10 months of this fiscal year.

Oil prices on the world market are now hovering at around $13 per barrel.

Mar'ie said the higher-than-expected increase in routine spending, especially for the salaries of civil servants and armed forces members, will widen the deficit. The minister refused to explain the amount of the deficit in the 1993-1994 fiscal year but said that the fall in the state revenues will not cause a major blow to the government's coffers. "The government will partly use its development fund reserves to cover the expected deficit," he said. The government has allocated around Rp 3.5 trillion ($1.6 billion) as reserves to finance the shortfall in the state revenues.

The minister pledged during yesterday's hearing, which deliberated the state budget for 1994-1995, that the government will not introduce any drastic measures to manage the country's economy next fiscal year despite the continued fall in oil prices.

Yesterday's session was the third day of deliberation which will end today, on the 1994-1995 state budget. The budget plan will be further deliberated in the House's plenary session on Saturday before being passed into law.

The state revenues and expenditures for the 1994-1995 fiscal year are estimated to balance at Rp 69.74 trillion ($33.2 billion). The receipts from oil and gas sectors, which are projected to reach Rp 12.85 trillion ($6.11 billion), are based on the oil price reference of $16 per barrel. The minister acknowledged that the cut in oil price reference to $16 per barrel from the current $18 per barrel reflects the government's concern over the falling oil prices. However, House members said the $16 price reference is still too high as oil prices on the international markets have now declined to below $13 a barrel.

The receipt projection from the oil and gas sectors will account for 21.5 percent of the total state revenues in the next fiscal year.

The 1994-1995 state budget will come into effect in April.

Laos

Chea Sim Delegation Visit, Meetings Reported

Cambodian Delegation Arrives

BK0503125094 Vientiane KPL in English 0915 GMT 5 Mar 94

[Text] Vientiane, March 5 (KPL)—The president of the National Assembly of the Kingdom of Cambodia, Samdech Chea Sim this morning arrived here on an official visit to Laos PDR [People's Democratic Republic] at the invitation of his Lao PDR counterpart Saman Vi-gnaket.

An official ceremony to welcome Samdech Chea Sim with his delegation took place at the National Assembly. The visiting Cambodian president of the national assembly is scheduled to have talks with his Lao counterpart Saman Vi-gnaket this afternoon. On the visit, the local newspapers today published the biography with portrait of the visiting president of the Cambodian national assembly. Samdech Chea Sim was born on 15th November, 1932 in the province of Svay Rieng. He entered the monkhood when he was young and studied until completing his mid-level religious education. From 1952-1953, he joined in the freedom movement struggling for national independence, and from 1970-1975 in the national salvation movement led by Samdech Norodom Sihanouk Voraman, who was president of the Cambodian national conciliation front. At this stage, Chea Sim was assigned as a commune headman and then a village headman.

In 1975, together with his colleagues, he led the forces struggling to overthrow the genocidal regime. In 1978 he was appointed as vice president of the Cambodian united front for national salvation [Kampuchean National United Front for National Salvation]. In 1979, he was member of the Cambodian People's Revolutionary Council and interior minister of the State of Cambodia. During 12 years since 1981 he has been elected president of the United Front for Fatherland Construction and Preservation [Kampuchean National United Front for Construction and Defense], member of the people's council of Prey Veng Province and also president of the National Assembly of the State of Cambodia.

In the new period of peace and national reconciliation, through the general national elections held under the agies of the United Nations Transitional Authority in Cambodia in 1993, Samdech Chea Sim was elected member to the National Assembly for Phnom Penh constituency. At the preliminary session of the National Assembly of the Kingdom of Cambodia, he was elected president of the National Assembly of the Kingdom of Cambodia.

On November 9, 1993, he was offered a title as Samdech by His Majesty Norodom Sihanouk Voraman, the king of Cambodia.

Saman Vi-gnaket Meets Chea Sim

BK0503143494 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 5 Mar 94

[Text] This afternoon at the National Assembly Hall in Vientiane, His Excellency [H.E.] Saman Vi-gnaket, chairman of the National Assembly of the Lao People's Democratic Republic [LPDR], held a meeting with Samdech Chea Sim, chairman of the National Assembly of the Kingdom of Cambodia.

The Lao delegation attending this meeting included H.E. Khambou Sounisai, deputy chairman of the National Assembly, H.E. Dr. Khamliang Phonsena, chief of the Commission for Foreign Affairs of the National Assembly, and other members of the National Assembly.

The Cambodian national assembly delegation included H.E. (Chan Ven), chairman of the Interior, National Defense, Investigation, and Suppression Commission; H.E. Pen Thol, vice chairman of the Foreign Affairs, International Cooperation, Information, and Press Commission, and 12 other members.

The meeting lasted two hours with an atmosphere of intimacy and good understanding from start to finish.

After that, at 1100 the National Assembly delegation of the Kingdom of Cambodia led by Samdech Chia Sim paid a courtesy call on H.E. Khamtai Siphandon, prime minister of the LPDR.

This evening at the National Assembly Hall, H.E. Saman Vi-gnaket, chairman of the LPDR National Assembly, will host a reception dinner in honor of visiting Samdech Chia Sim, National Assembly chairman of the Kingdom of Cambodia and his party.

Saman Hosts Banquet

BK0603093594 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 6 Mar 94

[Text] At 1900 yesterday evening at the National Assembly Hall, His Excellency [H.E.] Saman Vi-gnaket, chairman of the National Assembly, hosted a banquet in honor of the delegation of the National Assembly of the Kingdom of Cambodia led by Samdech Chea Sim, chairman of the National Assembly of Cambodia. The social function was held on the occasion of an official friendship visit to the Lao People's Democratic Republic by the Cambodian visitors.

Attending the banquet from the Lao side were H.E. Phao Bounnaphon, minister attached to the Prime Minister's Office; H.E. Osakan Thammatheva, minister of information and culture; H.E. Boun-gnang Volachit, lord mayor of Vientiane Municipality; H.E. Khambou Sounisai, deputy chairman of the National Assembly; H.E. Dr. Khamliang Phonsena, chief of the National Assembly's Commission for Foreign Affairs; deputy ministers; National Assembly members; and a number of invited guests. The Cambodian side included H.E. [name indistinct], chairman of the Interior, National Defense, Investigation, and Suppression Commission; and other members of the delegation.

The banquet proceeded in an atmosphere filled with hospitality, relations of friendship and cooperation and neighborliness.

Khamtai Receives Chea Sim

BK0703113994 Vientiane KPL in English 0903 GMT 7 Mar 94

[Text] Vientiane, March 7 (KPL)—Cambodian National Assembly President Samdech Chea Sim, on March 5, afternoon visited Lao PDR [Lao People's Democratic Republic] Prime Minister Khamtai Siphandon at his office.

Prime Minister Khamtai Siphandon and Samdech Chea Sim discussed several issues concerning the development of the relations and cooperation between the two countries during the process of renovation. The Lao prime minister attached value to the visit to Laos by the Cambodian National Assembly president referring to it as a new landmark in the friendly and neigbourly relations between the two countries.

Both affirmed the continued strengthening of the traditional relations of friendship and solidarity between the governments [words indistinct] of Laos and Cambodia. Prime Minister Khamtai Siphandon also spoke of the unchanged stance of the Lao PDR government in support of the process of national reconciliation as well as the task of national development in the Kingdom of Cambodia, making it an independent, peaceful, neutral, non-aligned and prosperous country having friendly relations with all countries, particulaly its neigbours.

PASASON Welcomes Delegation

BK0603112794 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 Mar 94

[PASASON 5 March Editorial: "Wholeheartedly Welcome for a High-Level Delegation of the National Assembly of the Kingdom of Cambodia"]

[Text] In response to the invitation of His Excellency Saman Vi-gnaket, chairman of the National Assembly of the Lao People's Democratic Republic [LPDR], Samdech Chea Sim, chairman of the National Assembly of the Kingdom of Cambodia, and his delegation will begin an official friendship visit to the LPDR from the morning of 5 March.

Regarding this important and meaningful event in the Lao-Cambodia relations, the people of Vientiane and all the multiethnic Lao people throughout the country are very pleased and overwhelmingly joyous. They also feel highly honored to have an opportunity to welcome the high-level delegation of the National Assembly of the Kingdom of Cambodia. This official friendship visit to the LPDR by Samdech Chea Sim and his delegation occurs after the high-level delegations of the Government of the Kingdom of Cambodia and the Government of the LPDR [words indistinct]. This shows that the relations and cooperation in various fields between the LPDR and the Kingdom of Cambodia in the new era are developing significantly, especially between the governments and the legislative institutions of the two countries. The party, state, and multiethnic people of Laos have always closely followed developments in the Kingdom of Cambodia, regarding it as our close neighbor. We all realize that Cambodia is a nation of energetic and courageous traditions. During the period of the Khmer Kingdom a world wonder was erected—the internationally famous Angkor Wat. Despite hardships in the course of history, due to the determination of internal factions coupled with international support, the Cambodian people have now entered a period of national construction and national reconcililation. At present this process has reached another step. With the said responsible determination of various factions, the fraternal Cambodian people in the Kingdom of Cambodia under the leadership of His Majesty King Norodom Sihanouk Voraman will convincingly succeed in making the Kingdom of Cambodia a kingdom of independence, peace, and neutrality. Together they will bring progress and prosperity to their country and develop friendly relations with other countries, beginning with their neighbors.

The traditional relations of friendship, solidarity, and cooperation between Lao and Cambodian peoples, have existed for quite a long time since the ancient days. They have been passed along from generation to generation from our ancestors. The Lao people have always firmly nourished such relations and still have honest and unchangeable intentions to continuously improve the existing good relations and make them flourish steadily. Nowadays, Lao and Cambodian peoples are attentively implementing the principles of the joint communique issued in July 1993 and the joint statement signed by the two governments in November 1993 of an agreement on economic, scientific, technological, and cultural cooperation between the two countries. The main purpose is to serve the interests of the peoples of Laos and Cambodia who share many similarities, such as cultural, traditional, and religious aspects. Suffice it to say the two countries deservingly enjoy their brotherly and neighborly relations and solidarity.

On this glorious occasion, all Lao people wish the people in Cambodia to attain a greater new victory and make a new life to further create national conciliation and build up the Kingdom of Cambodia under the monarchic leadership of King Norodom Sihanouk Voraman with everlasting progress and prosperity. We wish the visit to the LPDR by Samdech Chea Sim and his delegation glorious success. We are all confident that through the visit to the LPDR by the high-level delegation of the National Assembly of the Kingdom of Cambodia, the relations between the legislative institutions of the LPDR and the Kingdom of Cambodia will develop into a new stage that corresponds with economic, social, and cultural development of each country.

Government Wants More Thai Moves Against Rebels

BK0703023394 Bangkok THE NATION in English 7 Mar 94 p A5

[Text] Vientiane—Laotian authorities are watching for further Thai moves against anti-Vientiane forces along the border after last week's request by the Supreme Command for the arrest of two rebel leaders, the Laotian Vice Minister for Information and Culture, Bounteng Vongsai said yesterday. He said the request was welcome, although long overdue. If implemented it would definitely improve bilateral ties. The Supreme Command has asked police to issue arrest warrants for Vang Pao and Gen Thonglit Chokbengboun, reputed leaders of the anti-communist Hmong guerrillas, and also requested that the United States consider taking legal action against them.

Vang Pao spent two years along the Thai-Lao border after the 1975 defeat of the US-backed guerrillas by troops of the communist government in Laos.

The general then went to live in the United States and took up American citizenship but is reported to have returned frequently to Thailand.

The Supreme Command said issuing warrents would allow authorities to act against the two men immediately if the return again.

"It would be much appreciated if Thailand acted on the Supreme Command request for police to arrest General Vang Pao and General Thonglit Chokbengboun for allegedly violating Thai security laws," said Bounteng.

"Thailand should have (issued warrants) a long time ago. We will keep watching to see if Thailand acts in accordance with the request," he said.

Bounteng said that following up with strong action against rebels hiding out in Thailand would be a clear reflection of the strong feeling of co-operation and unity between the two countries, which have a long common border and close cultural and languages ties.

"Issuing arrest warrants for Vang Pao and Thonglit would be an explicit affirmation by Thailand of its foreign policy of not allowing any group to use its territory as a base to launch attacks on neighbouring countries," he said.

Bounteng believes that hundreds of Hmong living in Wat Tham Krabok drug treatment centre in Saraburi Province are members of Vang Pao's anti-Vientiane forces.

"The Thai government should be aware that the Hmongs in the drug treatment centre are not all drug addicts," he said.

The temple has a reputation for rehabilitating drug addicts from Thailand and other countries. The number of Hmongs entering the country without permission, reputedly to receive treatment, has increased in recent years.

National Security Council chief Gen Charan Kunlawanit has said the Hmongs illegally living in the temple should be repatriated to Laos.

Bounteng said Laos would welcome them back if they were prepared to work for the country's development.

The Laotian people would help authorities keep a close watch on the returnees and report them if they showed any intention of disrupting the government or the country.

"When the late Kaysone Phomvihan was asked several years ago about the number of people in Laos and the number of police, he answered that they are the same, about 3.5 million at that time," the minister said.

Foreign Minister Meets German Counterpart

BK0503112194 Vientiane KPL in English 0922 GMT 5 Mar 94

[Text] Vientiane, March 5 (KPL)—German Foreign Minister Klaus Kinkel, on March 3, met in Bonn his Lao counterpart Somsavat Lengsavat and exchanged views with him mainly on bilateral economic relations, reports Xinhua.

According to the Deutsche Presse-Agentur (DPA), during the talks, Kinkel spoke highly of the open economic policy of Laos, and said Germany will continue to offer aid to help Laos' development.

As for investment, Kinkel stressed that Laos itself must create overall conditions for it. Germany has provided development aid totalling some 80 million deutsche marks (about 4.72 million U.S. Dollars) to Laos since 1990.

Somsavat Lengsavat is the first Lao foreign minister to visit Germany since the establishment of diplomatic relations between the two countries in 1958.

Thailand

Officials React to U.S.-Japan Trade Dispute

Suphachai Voices Concerns

BK0503104094 Bangkok Radio Thailand in Thai 0000 GMT 5 Mar 94

[Excerpt] According to Deputy Prime Minister Suphachai Phanitchaphak, any trade retaliation against Japan by the United States in accordance with its Article 301 is not expected to affect Thai products, with the exception of communications and electrical products and their spare parts, which are exported to Japan for reexport to the United States. Suphachai said the declared U.S. intention to use Article 301 against Japan is probably merely a threat. He is confident that eventually Japan and the United States will be able to settle their trade differences. At present, several countries disagree with the planned use of Article 301.

[Begin recording] [Suphachai] Personally, I disagree. I feel that since the GATT has reached an agreement and set up a new international trade organization, the use of unilateral retaliation per Article 301 should be illegal. The GATT members should rise up to protest this matter. The parts on which the United States and Japan could not reach an agreement should be mediated by the GATT.

[Unidentified correspondent] There is a possibility that the United States may not seriously apply Article 301 against Japan. Is this correct?

[Suphachai] The United States has made a declaration. In the past, it did not carry out its declaration against, I think, either Europe or France once the deadline arrived. I think it amounts to giving the other party time to think about the consequences before taking an action. Most of the time, Article 301 is used as a threat. Even if it is merely a threat, we disagree with its use. [end recording] [passage omitted]

Spokesman on Using Super 301

BK0603121294 Bangkok Radio Thailand Network in Thai 0000 GMT 6 Mar 94

[Text] Spokesman of the Prime Minister's Office Aphisit Wetchachiwa says Thailand is closely following the U.S. move about using Article 301 for trade retaliation. The government thinks that international trade atmosphere has largely improved following the conclusion of the Uruguay round of trade talks. The APEC [Asia-Pacific Economic Cooperation] summit meeting was also marked by a friendly atmosphere.

[Begin recording] [Aphisit] We must follow it closely to see whether the move will be applied in general. We must be prepared; it is the responsibility of the government that wants to see a relaxed atmosphere in international trade.

[Unidentified correspondent] Is the U.S. measure meant as pressure on this region?

[Aphisit] I think it concerns a particular problem. Anyway, we cannot remain indifferent but have to follow the developments and see whether there is a tendency toward unilateral retaliation. As I have said, I believe there will be a discussion on this matter at the preparations for the APEC meeting.

[Correspondent] Will there be any discussion among ourselves to prepare for the U.S. move?

[Aphisit] The Thai private sector and government are already cooperating on that. It's the responsibility of Deputy Prime Minister Suphachai Phanitchaphak, in his capacity as head of the International Economic Policy Office. There is no problem about our preparations to cope with the consequences; we are already working together on that. [end recording]

Surin Protests U.S. Move

BK0703143994 Bangkok Voice of Free Asia in Thai 1030 GMT 7 Mar 94

[Text] U.S. Trade Representative Mickey Kantor announced on 4 March that the United States will revive Article 301 of the 1988 U.S. Trade Act in bargaining with Japan. The announcement came in the wake of the failure of the final round of trade talks on 11 February between U.S. President Bill Clinton and Prime Minister Morihiro Hosokawa of Japan. There was no conclusion to the establishment of numerical targets for Japan's imports from foreign countries and the principles in assessing Japanese progress in opening its market to U.S. goods because Japan thinks the move violates the principle of free trade, something Japan cannot accept.

On this, Deputy Foreign Minister Dr. Surin Phitsuwan has stated Thailand's stand on the American move against Japan.

1. Thailand is unhappy with the American and Japanese drift toward a trade confrontation caused by the revival of Super 301 against U.S. trading partners.

2. As the world economy liberalizes and countries push for the success of the Uruguay round of trade talks, Thailand does not want to see a strong retaliatory measure being taken against a trading partner. There should be an effort to push for a settlement of trade disputes within the framework of the multilateral trade forum, which is accepted worldwide. Besides, GATT regulations should be strictly implemented and upheld as the criteria for trading parties.

3. During the APEC [Asia-Pacific Economic Cooperation] summit in Seattle, both Thailand and the United States kept repeating the importance of the success of the Uruguay round. Indeed, progress has been made at the Uruguay round. Thailand, therefore, is concerned that U.S. retaliation against its trading partner might affect the climate of international trade as well as the success of the Uruguay round.

4. Trade problems between the United States and Japan would affect the economy of both countries, and in turn the world's. The United States and Japan are respectively Thailand's first and second major export markets. Thailand thinks it is the duty of both Japan and the United States to solve their remaining trade problems in the best possible way on the basis of sincerity.

Daily Criticizes U.S. Decision

BK0503095194 Bangkok THE NATION in English 5 Mar 94 p A6

[Editorial: "Trade Retaliation by U.S. Will Hinder Japan Recovery"]

[Excerpts] U.S. President Bill Clinton tightened the screws on Tokyo Thursday when he revived the "Super 301" trade-sanctions authority in an effort to force Japan to buy more U.S. goods. [passage omitted]

"Unilateral measures not in accordance with the dispute settlement rules of the World Trade Organization which were established as a result of the conclusion of the Gatt Uruguay Round are explicitly prohibited," said Masayoshi Takemura, the chief spokesman of the Japanese government. Indeed Gatt rules prohibit a country from unilaterally declaring a trade war on another.

Without doubt, the Japanese themselves are very concerned about the trade surplus with the United States because of its effect on their own export markets. The pricing of these exports in yen—which currently is high—is affecting the sales of big export products like cars and electronic goods—which makes them less attractive on world markets.

This in turn is causing hardship to Japanese companies which have to meet production costs or go bust. Certainly the $59.3 billion trade surplus is also causing problems within Japanese industry.

When U.S. Trade Representative Mickey Kantor talked about taking retaliatory action against Tokyo, he did not state in specific figures what he considered a fair trade balance between the United States and Japan would be. But if the American side insists on zero, the Japanese reply of course would be a prompt "impossible". By insisting on zero, the United States would be expecting each Japanese to spend twice as much on U.S. products as each American spends on Japanese goods, because the US population is twice as large as Japan's.

Simply charging that certain U.S. products do not sell well in Japan while they do well in other countries or regions, and using that as evidence that the Japanese market is closed, is akin to publicizing one's insufficient knowledge of how business is conducted. Corporate marketing efforts determine the trade balance between two countries, and politics and diplomacy merely provide the stage props. This is elementary business logic. Lifestyles differ from country to country. So do customer preferences and customs.

The Hosokawa government is pushing ahead with deregulation to make its market more free. Japan has shown seriousness in reducing its trade surplus with the US in its latest economic stimulus package worth some US$200 million to get the Japanese economy moving. Coupled with the high value of the yen, U.S. products will certainly be more attractive to Japanese consumers when Japan pulls out of its current recession. Are some U.S. firms trying to reverse this direction by imposing managed trade controlled by the bureaucracy just for the sake of corporate profit?

Obviously, Clinton was pressured by domestic concerns to resort to the Super 301 action on Thursday. According to an ABC News/WASHINGTON POST poll released before the U.S. President made the decision, a record number of Americans now favor imposing sanctions on Japan. The U.S. President himself realizes that Super 301 provisions can be a thorn in diplomatic relations. When Super 301 was last in use in 1989, Japan, Brazil and India were all targeted but sanctions were never used.

Since the Hosokawa government is making conscientious efforts to reduce Japan's trade surplus with the United States, Clinton might be wise to look back to 1989 and drop the threat of sanctions. Excessive U.S. pressure can delay Japan's economic recovery, which will also have an impact on the Asia-Pacific region, and trade retaliation is not the way to gain access to Japanese markets.

Article: 'Time Lag' Before 301 Used

BK0503104994 Bangkok SIAM POST in Thai 5 Mar 94 p 6

[Article by Thitichai Thanadirotkun: "Super 301—a Sword That Has Killed No One"]

[Excerpts] President Clinton's executive branch officially announced on 3 March that it would apply article Super 301 to redress the trade deficit problem with Japan. Super 301 is a fearsome weapon as far as the United States is concerned, and that country hopes that the article will force Japan to open its market to U.S. products. [passage omitted]

President George Bush used Super 301 in 1989 and 1990. Japan was the target of the article in 1989 and as a result agreed to open its supercomputer and satellite markets.

It is worth noting that in the two years that the United States used Super 301, the ultimate part of the article was never applied: that is, the United States has never used Super 301 to carry out trade sanctions or retaliation against any country. It can be said that Super 301 is merely a threat, not a tool to be implemented.

In the latest development, the United States has declared that it would apply Super 301 against Japan. However, it is evident that there are many steps in the process: that is, on 31 March the United States will publish a trade report which will identify the countries which are considered to be unfair trading partners. [passage omitted]

The important point is that there is a considerable time lag before the sword of Super 301 is actually delivered to the victim. This situation makes Japanese investors feel impervious to the threat of Super 301. The Tokyo stock market went up 360.14 points on 4 March as if to challenge the U.S. announcement. The Japanese feel that Japan will open its market voluntarily before the Super 301's deadline.

Therefore, although U.S. Trade Representative Mickey Kantor announced the use of Super 301, Japanese investors feel that the United States was merely play acting. Asian stock markets have also not shown that much concern about the matter. The Thai stock market went up 18.87 points despite recent weak trading. The Nikkei soared 360 points, while the Hang Seng increased 116 points.

The story seems to be that Japan itself has not been frightened by the Super 301 issue, and Thailand would therefore be overreacting if it became frightened.

Army Confirms New Fighting in Cambodia

BK0503101094 Bangkok BANGKOK POST in English 5 Mar 94 p 6

[Text] Heavy fighting raged yesterday between Phnom Penh Government forces and Khmer Rouge soldiers near the historic Preah Vihear temple in Cambodia, Second Army Region Commander Lt. Gen. Anuphap Songsunthon said.

Lt. Gen. Anuphap said the fighting was the result of an all-out offensive by Phnom Penh forces to capture the Khmer Rouge stronghold in Preah Vihear Province. The fighting is between 10 to 20 kilometers away from the Thai border and at present there has been no spillover to Thailand.

Surin Governor on Fighting

BK0703102194 Bangkok Radio Thailand Network in Thai 0530 GMT 7 Mar 94

[Text] Fighting broke out yesterday in Cambodia between an unidentified number of Khmer Rouge forces and forces of the Cambodian Government at O Smach Camp, close to the Thai border at Chong Chom Pass in Surin Province. As a result, a large number of Cambodian civilians have crossed the border into Thailand. The governor of Surin, Kopkun Thonglongya, spoke to the Public Relations Department correspondent:

[Begin Kopkun recording] The fighting broke out at an early hour yesterday and continued until 1100. As a result, we had to suspend the opening of the border passes. What caused a big concern for us was the influx of about 2,000 refugees from Cambodia. Anyway, after the fighting died down, our military, police, and civilian officials, as well as territorial defense volunteers pushed the refugees back into Cambodia. None of them are still in Thailand. This fighting happens every month. There are exchanges of gunfire and our border villagers are used to it by now. What we feared was that the Cambodians who fled into Thailand might refuse to go back. We are also concerned about stray shells which might hit our people, their homes and property. If we can prevent the two things, then we have nothing to worry about since we have nothing to do with their fighting. [end recording]

Economist on Potential Power Imports From Laos

BK0403150294 Bangkok PRACHACHAT THURAKIT in Thai 27 Feb-2 Mar 94 p 69

[Text] Reporting on the survey made by international economic institutions and himself, in the capacity as economic consultant to the Lao Government, Dr. Wiraphong Ramangkun, secretary general of the Thai-Lao Friendship Association, told PRACHACHAT THURAKIT that Laos is rich in natural resources of all types that are spread throughout the country. Northern Laos is rich in lignite—the first deposit found has a lignite reserve of the same amount found at Thailand's Mae Mo mine in Lampang Province. Yet, there are still many more lignite deposits in Laos believed to be larger than what has been found in Thailand. The assessment was made by a subsidiary of the Ngan Thawi Group in Hongsa of Laos whose lignite mine can generate power for over 60 years. Also based on the old French maps, Laos has iron ore deposits in Luang Nam Tha; zinc and copper mines in Xieng Khouang; and gems, especially a large amount of blue sapphires, in Bokeo. The central part of the country is covered with forests and water sources suitable for building hydroelectric dams. The Nam Ngum hydroelectric dam is now providing electricity for Thailand. In southern Laos, there are oil deposits and forests and water sources, good for the construction of a hydroelectric dam. There are already two dams there—Nam Theun 1 and Nam Theun 2. There is a vast area still untapped, and it is possible that there are abundant resources in the area.

Dr. Wiraphong noted that, from assessments, the potential of Laos' energy production could turn the country into one of richest in terms of economic potential since that means the 4 million inhabitants of Laos can export 20,000 megawatts of power annually, in other words, a highest per capita income. The country would become "a second Brunei." That is why Laos is focussing on investment in energy development. The program is incorporated in the fourth national economic and social development plan, which will begin on 1 January 1995. Based on the assessment, the best way to earn an income for the country and to attain an economic stability is through exports of energy. Meanwhile, Thailand would be a major customer of Laos, because Thailand can no longer expand production of energy, while demand is always increasing. Thailand therefore needs a power supply from Laos.

Anyway, Dr. Wiraphong said he prefers to see Thailand buying power from Laos for direct consumption instead of buying bunker oil from Saudi Arabia for power production. By importing power from Laos, Thailand is helping a brother country. The money spent will remain circulated within the region and could one day return to Thailand.

In conclusion, he said: "Whether Laos would be successful in economic development and become a second Brunei also depends on Thailand, since Thailand will be the sole country to buy electricity and power from Laos. Vietnam is self-sufficient in this area and can rely on local production; the same is true for China. The customer of Laos is Thailand."

Deputy Prime Minister Views Investment in Laos

BK0503143094 Bangkok PRACHACHAT THURAKIT in Thai 27 Feb-2 Mar 94 p 4

[Excerpt] According to Deputy Prime Minister Suphachai Phanitchaphak, Thailand's image in the eyes of Laos is rather negative, resulting in Thai investment in that country to be monitored closely by the Lao Government. This has led to a reduction in Thai investment in Laos because investors could not tolerate Lao Government's witchhunt. The Lao Government's suspicions about Thai investment resulted from behavior of unscrupulous Thai businessmen.

Suphachai said the Thai Government could not gain correct understanding of the Lao Government in every issue involving Thai investment. The private sector, particularly the chambers of commerce in the northeastern provinces, should play a role in this matter. The chambers of commerce could join to form a "northeast business council" or a committee on Thai-Lao trade to screen prospective investors to find good people whose investment would not exploit Laos as in the past. The council could also set regulations governing Thai businessmen making investment in Laos and protect their interests when Laos changes its regulations. These frequent changes of Lao regulations have always troubled Thai investors. [passage omitted]

Police Seize Ammunition Cache Near Burma Border

BK0503104194 Bangkok BANGKOK POST in English 5 Mar 94 p 2

[Text] Mae Hong Son—A special police task force unit intercepted a large cache of ammunition just as arms smugglers were about to deliver it to customers near the Thai-Burmese border yesterday. The cache included 2,500 rounds for an M79 grenade-launcher and 20,080 rounds for an M60 medium machine gun. The seizure happened at about 1 p.m. when 10 policemen were patrolling near Ban Mae Suya. They spotted a convoy of 30 pack-horses being guarded by a group of armed men heading for Burmese territory.

Because they were outnumbered, police decided to follow the gang towards the border until they accidently found a gunny bag believed to have fallen from a pack-horse that contained 2,580 rounds of M79 and M60 ammunition. Police decided to call in more reinforcements and fired into the air to stop the convoy but they sped away.

Police yesterday morning combed the area and found nine horses including a dead one, abandoned in the jungle. Each of them was found carrying over 2,000 rounds of ammunition.

Indian Delegation Comments on Bilateral Trade

BK0703042194 Bangkok BANGKOK POST in English 7 Mar 94 p 19

[Text] The volume of trade between India and Thailand in chemicals, pharmaceuticals and dyestuff could reach 25 billion baht over the next five years, predicted the leader of an Indian delegation which visited Bangkok last week. The objectives of the delegation were to promote exports of India, source raw material from Thailand and to explore the possibility of setting up joint ventures either in Thailand or in India.

The delegation was led by Vishnu M Warke. Its six members represented CHEMEXCIL, India's basic chemicals, pharmaceuticals and cosmetics export promotion council, set up by the Ministry of Commerce.

"Chemicals, which account for 10 percent of total trade, is the only area in which the balance of trade is tilted in Thailand's favour," explained Alok Sinha, the first secretary of the Indian Embassy.

Trade between Thailand and India was 12.14 billion baht from January to October 1993, with Thai imports valued at 10.56 billion baht. India along with Indonesia is the largest buyer of carbon black from Thailand, manufactured by Thai Carbon Black, a member of the Indian group Birla. The existence of joint ventures in Thailand such as Matangi Dyestuffs Ltd, Thai Ambica Chemicals Ltd, Lupin Chemcials and Ranbaxy is expected to increase trade in this area.

Members of the delegation were on the look-out for distributors for their products in Thailand. These ranged from tissue culture media to surgical dressings, chemicals for the pulp and paper industry and incense sticks.

India also wants to push its dye stuff in Thailand, a product category in which it is edged out by suppliers from Taiwan, China and Indonesia who offer standardised products at cheaper prices.

Agar-agar powder and raw material for the manufacture of incense sticks were among the products that the delegation wanted to source from Thailand.

Officials On EU Expansion, Export Potential

BK0703034394 Bangkok BANGKOK POST in English 7 Mar 94 p 19

[Excerpt] Last week's agreement for Sweden, Finland and Austria to join the European Union [EU] could bring both benefits and costs to Thailand, experts say but the most pressing short-term issue could be trade quotas, according to one. Danai Dulampha, until last year Thai ambassador to Brussels and currently president of the Thai Tapioca Development Institute said Thailand should receive larger quotas for tapioca and other products since the EU market has been enlarged. However, this would depend on negotiations and to the degree of integration of the EU and its new members, he added.

A European ambassador, who asked not to be identified, predicted that one of the difficulties to arise from the EU's enlargement will be the increased complexity of the Union's decision-making processes because 15 countries' interests must be balanced instead of 12. This, he suggested, would mean that non-members would also face greater difficulties in negotiating with the EU.

Thai exports of textiles, garments and canned tuna to the EU are limited by quotas, but not those to the Nordic countries. Austria has some largely insignificant quotas on the small volume of textile products it buys from Thailand.

Mr Danai said Thailand must evaluate in detail the tax concessions provided within the Generalised System of Preferences (GSP). The EU and its three prospective new members grant Thailand different GSP concessions; therefore, benefits will increase or decrease if new members adopt standard EU GSP rates.

Thai agricultural products may also become subject to new health and sanitary standards.

Foreign Trade Department Director General Oranut Osathanon agreed that both positive and negative consequences would result from EU GSP standards.

Meanwhile, Mr Danai said some tariff rates, particularly agricultural items previously bound to GATT stipulations, may be lower than those of the EU. Integration may therefore mean raising tariffs. Should this occur, Thailand will be compelled to request compensation from the EU, he said.

He provided Spain as the example when that country integrated with the European community and raised its tariffs on maize to comply with EU rate, allowing imports of 200,000 tons of maize from the US to enter with low tariffs as compensation to the US which suffered from EU expansion.

Business Economic Department deputy director-general Aphiradi Tantraphon said in principal, the market for Thai products should expand as the EU membership expands, with a possibility of entering new markets such as in Eastern Europe. She said the Department had studied the impact of the expansion of the EU to include Sweden and found that the standard of imports for agricultural products would not be higher than current standards; therefore Thai products should face no greater difficulties in accessing that market after integration.

However, details of the expansion have yet to be released. It is simply too early to forecast accurately the integration's impact, she said.

A Business Economic Department source said the addition of those new members would have only a slight impact on Thai exports because those new members already hold membership to the European Free Trade Association, which is integrated with the European Economic Area.

Board of Trade of Thailand executive director Prayun Thaloengsi said the expansion of the EU may increase the difficulty of new members entering the EU market, requiring them to adjust standard quotas. The exporting members must adjust to the standards to remain competitive, he said. Mr Prayun opined that the bargaining power of Thai exporters with new members, who once were independent, may decrease after their EU membership. [passage omitted]

Vietnam

Asset Claims Talks With U.S. Delegates Reported

BK0503155894 Hanoi VNA in English 1426 GMT 5 Mar 94

[Text] Hanoi VNA March 4—Vietnamese and American delegations held talks in Hanoi from Feb. 28-March 4 on issues relating to asset claim and the establishment of liaison office in each other's capitals.

The talks were reported to be useful and constructive.

The two sides agreed to continue to discuss the abovesaid issues. The venue and the time of the next talks will be decided later.

Spokesman on 'Positive' U.S. Property Talks

BK0203092094 Hanoi VNA in English 0914 GMT 2 Mar 94

[Text] Hanoi, March 2 (AFP)—The first round of discussions between Vietnam and the United States on recovering seized property at the end of the Vietnam War ended here "with positive results," the foreign ministry said Wednesday.

"There are still some concrete problems that will be discussed at the next meeting at the working level," a foreign ministry spokesman told AFP without specifying when or where the next round of discussions would take place.

U.S. State Department officials refused to comment on the talks.

The bilateral meeting, the first since Washington lifted an economic embargo on Vietnam on February 4, lasted two days and brought together State Department, Treasury and Justice Department officials with their Vietnamese counterparts.

Claims by the two sides are estimated to total more than 500 million dollars in assets seized or frozen following the fall of Saigon in 1975.

The opening of reciprocal representative offices in Hanoi and Washington, proposed by US President Bill Clinton, has already been accepted in principle by Vietnam.

U.S. delegation leader, James Hall, at his own request visited sites of searches for American servicemen missing in action, said the Vietnamese spokesman.

Vietnamese Boat People Urged To Return Home

BK0103100494 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Feb 94

[Text] Dear friends; in the Today Issues feature today, I would like to discuss the issue of boat people, a concern to many people.

As announced before, on 14 February a conference of high-ranking government representatives from various Southeast Asian countries, the United States, the United Kingdom, France, Canada, Hong Kong, Australia, Germany, Vietnam, and other countries, was held in Geneva to discuss the issues relating to boat people, mainly Vietnamese.

The conference attendants reported that there are presently some 60,000 Vietnamese boat people currently living in various refugee camps in Hong Kong and some Southeast Asian countries. Most of these people are not considered genuine refugees and will have no choice other than returning to Vietnam. The conference attendants declared that they will not and are not be able to contribute finance to support and provide free health services to these people indefinitely. All refugee camps are planning to close as early as possible before the deadline of late 1995.

Regarding repatriation allowance, a boat person returning to Vietnam used to be eligible for a $360 allowance, which has recently been reduced to $240 and will be further reduced. Apart from the allowance reduction, there are two other concrete provisions worth noting. First, the boat people arriving in Hong Kong, Japan, and Southeast Asia after 27 September 1991 will not be eligible for the allowance nor the European Community [EC] program, an assistance program that funds projects of settlement and employment for repatriates. Second, the credit, occupational training, and financial allowance programs of the EC will be terminated in November 1994.

The Vietnamese boat people living outside of Vietnam, therefore, should return voluntarily and soon to Vietnam while they are still eligible for assistance from these financial support programs.

Dear friends, 60,000 Vietnamese living in overseas refugee camps are related to tens of thousands of families or millions of people all around the country. Therefore, I think that the information released here is important to many people. It is even more important to those who, for some reason, still have the intention to flee illegally from their motherland.

In implementing the renovation policy initiated and led by the Communist Party of Vietnam, our people have achieved important progress in the last three years. Many economic goals previously planned to be achieved by the end of 1995 had already been fulfilled at the end of 1993. We have progressed from the stage where many people did not have enough to eat, to being able to resolve the food shortage problem and exporting some 1.4 million tonnes of rice every year. The inflation rate decreased from a three-digit to a two-digit number and came down to 4.4 percent in 1993. More than 700 projects, large and small, of foreign investment with a total capital of over $7 billion are being developed in various socioeconomic sectors all over the country. The living standards of our people, though still not quite satisfactory, have been improved significantly. The social and political stability are well safeguarded.

Our developing economy, our stabilized society, and the assistance from the world community, are the key factors to help nearly 20,000 people from various refugee camps return in the last three years, quickly reintegrate into the community, and resettle fairly well. Many of them have become rich.

Inherited from our thousand-year-old generous tradition, the merciful Vietnam motherland, the people, and the authorities at all levels always open arms widely for the children, the siblings, and the friends coming back from the wrong. New opportunities and challenges are awaiting each and every citizen of Vietnam. Out of your home, out of work. [sentence as heard] There is no place like your own people's community and your own motherland, would you agree with me? If you are of the same opinion, every one of us, in our own circumstances, should do something to prove our people's love to each other and advance together toward the goals of a prosperous people and a strong country.

Vo Van Kiet Comments on Dispute With Vatican

BK0503152894 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 5 Mar 94

[Text] The paper of Cong Giao Va Dan Toc [Catholicism and People] issue No. 947 carried an interview with Prime Minister Vo Van Kiet on a number of issues related to Catholicism in Vietnam.

On the role of Catholics in Ho Chi Minh City, the prime minister highly valued their patriotic spirit and dynamic participation in the city's social programs. He stressed that participation in activities that help construct the fatherland is the responsibility and right of the Catholic people.

There are presently a number of issues remaining to be settled between the Vietnamese Government and the Catholic Church, such as the Vatican's appointment of the supervisor for the Ho Chi Minh City diocese without any consultation with the Vietnamese Government, and the Vatican's prohibition on priests joining people-nominated agencies and the Solidarity Committee of Vietnamese Catholics.

Prime Minister Vo Van Kiet held that more effort was still needed to settle issues caused by each side's lack of proper understanding of the other. People in Ho Chi Minh City have made considerable progress thanks to the implementation of a freedom of religion policy and of the principle of harmonious development between religious and secular activities, whereby the contributions of Elder Archbishop Nguyen Van Binh, the Catholic Motivation Committee, the Solidarity Committee of Catholics, and the Cong Giao Va Dan Toc Paper should be greatly acknowledged.

The prime minister wished that there would be a succeeding archbishop for Ho Chi Minh City who would not contradict the lines of Archbishop Nguyen Van Binh, the Solidarity Committee of Catholics, and the Cong Giao Va Dan Toc Paper, and who would use his role to better the contributions of the Catholics in Ho Chi Minh City to the advancement of the people and prosperity of the country, along with the harmonious development of religious activities.

DPRK Party Delegation Arrives for Visit

BK0703154494 Hanoi VNA in English 1420 GMT 7 Mar 94

[Text] Hanoi VNA March 7—A delegation of the Workers' Party of Korea led by Mr. Hwang Chang-yop, secretary of the Party Central Committee in charge of the external relations, arrived here today for an official visit to Vietnam.

This afternoon, a delegation of the Communist Party of Vietnam led by Mr. Hong Ha, secretary of the Party Central Committee and head of its External Relations Commission, held talks with the Korean delegation.

The two sides exchanged views on the situation in the region and on the world of mutual concern and discussed measures to promote the relations between the two parties and peoples.

The Korean head delegate expressed his wish to strengthen the traditional friendship between the two parties and peoples, which had been fostered by President Ho Chi Minh and President Kim Il-song.

Mr. Hong Ha gave a banquet this evening in honour of the Korean delegation.

Government Delegation Holds Talks in Russia

BK0503093094 Hanoi VNA in English 1520 GMT 4 Mar 94

[Text] Hanoi DNA March 4—Minister Le Xuan Trinh, head of the Government Office and Vice Chairman of the Vietnam Sub-Commission of the Vietnam-Russia Intergovernmental Committee on Economic, Commercial and Scientific-Technological Cooperation, paid a working visit to Russia recently.

Minister Le Xuan Trinh and his Russian counterpart during their meeting reviewed the implementation of the resolutions approved by the last second session of the intergovernmental committee, discussed and agreed upon matters relating to the third session which will be held in Hanoi.

On this occasion, a protocol on economic and commercial cooperation for 1994 was signed between the two countries.

Earlier, on March 1, Deputy Prime Minister I.F. Iarov received Minister Le Xuan Trinh and his party. Mr I.F. Iarov highly valued the Russia-Vietnam cooperation, highlighting the great possibilities to enhance these relations, especially in energy, agriculture, food and light industries.

During its stay in Russia, the Vietnamese delegation also met with representatives of the Russian Ministry of Energy, the Ministry for Foreign Affairs, and many Vietnamese and Russian businessmen.

Official Comments on Cooperation

BK0703083694 Hanoi VNA in English 0629 GMT 7 Mar 94

[Text] Hanoi VNA March 7—Vietnam and Russia have agreed to step up economic cooperation commensurate to their potentials, said Mr Le Xuan Trinh, cabinet minister and head of the government office, who has paid a week-long working visit to the Russian Federation.

In an interview with the army paper QUAN DOI NHAN DAN on the present status and prospects of the two countries' economic cooperation, Minister Le Xuan Trinh said that during the visit the two sides reviewed the implementation of the programme of the Vietnam-Russia Intergovernmental Committee on Economic, Commercial and Scientific-Technological Cooperation approved at its second session held in Hanoi in early 1993. The two sides also discussed an agenda for the third session of the committee scheduled to be held in Hanoi in mid-April this year. The two sides signed protocols on trade for 1994 between the two countries, and on their cooperation in the time to come. Vietnam also signed a protocol on payment of mature debt to Russia.

Asked about the payment of debts to Russia, Minister Le Xuan Trinh said that Vietnam agreed to pay a mature debt of some USD [U.S. dollars] 60 million in garments, woolen carpets, lacquerwares, rice, meat and other goods. The two sides agreed that an amount of USD 50 million contributed by Vietnamese guest workers in Russia would be included in the payment to Russia. The Russian side agreed to take part of this payment to reinvest in and expand its cooperation with Vietnam.

Speaking about the cooperative orientation between the two countries in the years to come Mr Trinh said that the Russian side had declared to continue to provide loans to Vietnam to implement in 1994 the project for the city public lighting system. Also this year, he said, Russia will resume investment in agro-industrial projects to plant tea, rubber, and coffee.

Cambodian Assembly Delegation Meetings Reported

Le Duc Anh Meets Chea Sim

BK0503092894 Hanoi VNA in English 1550 GMT 4 Mar 94

[Text] Hanoi VNA March 4—President Le Duc Anh received here today Chairman of the Cambodian National Assembly Samdech Chea Sim, who is now on a visit to Vietnam.

Mr Samdech Chea Sim expressed his pleasure at the multi-sided achievements recorded by the Vietnamese people in the renovation process. He informed President Le Duc Anh of the result of the talks between the two legislative delegations and expressed his belief that the agreements reached during this visit would promote the cooperations between the two legislative bodies, thus contributing to the consolidation and strengthening of the friendly relations between Cambodia and Vietnam.

President Le Duc Anh welcomed Mr Samdech Chea Sim's visit describing it a significant contribution to the building of the good neighbourliness and multi-faceted cooperation between the two countries in the interest of the two people and for peace, stability, friendship, development, and cooperation in the region as well as in the world. He highlighted Vietnam's foreign policy to be friends with all countries stressing that it had done and was doing its best to strengthen its friendly relations with neighbouring Cambodia, and to support the Cambodian people's efforts to build their country into an independent, peaceful, neutral and non-aligned Cambodia which maintains friendly ties with all countries, especially those in the region.

Also present at the reception were head of the National Assembly Commission for External Relations Hoang Bich Son, and Deputy Head of the Presidential Office Hoang Tuan.

NHAN DAN Hails Visit

BK0503111994 Hanoi VNA in English 0741 GMT 5 Mar 94

[Text] Hanoi VNA March 5.—The national daily NHAN DAN today runs an editorial hailing the result of the Cambodian National Assembly chairman's visit to Vietnam as good sign of strengthening of the friendship and multi-faceted cooperation between Vietnam and Cambodia.

It says that the fine result of Samdech Chea Sim's official friendship visit is vivid manifestation of important significance of the consolidation and strengthening of the friendhip and multi-faceted cooperation between the people of the two countries.

The paper expresses the Vietnamese people's pleasures at the important achievements recorded by the Cambodian people in implementing their target of building an independent, peaceful, and non-aligned country, friendly to all other countries.

Radio Praises Visit

BK0503152694 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 4 Mar 94

[Station commentary: "A Fine Event in Vietnam-Cambodian Friendship Relations"]

[Text] In this spring of 1994, our people have the great pleasure of receiving the National Assembly delegation of the Kingdom of Cambodia [KOC] led by National Assembly Chairman Samdech Chea Sim on an official friendship to Vietnam at the invitation of National Assembly Chairman Nong Duc Manh.

Arriving in Vietnam, National Assembly Chairman Chea Sim and the distinguished Cambodian guests have brought to our people the relationship of fraternity and friendship of the Cambodian people, who are living in a country with an historic Angkor civilization. This visit also marks a new developing step in the friendship and cooperation relations between the two countries and their national assemblies.

During its stay in Vietnam, the KOC National Assembly delegation held talks with the Vietnamese National Assembly delegation led by Chairman Nong Duc Manh in an atmosphere of friendship and mutual understanding. Party General Secretary Do Muoi, State President Le Duc Anh, and Prime Minister Vo Van Kiet held cordial talks with the visiting delegation.

The delegation visited the Ho Chi Minh Mausoleum and laid a wreath there. It also visited Ho Chi Minh's living and working quarters and many economic and cultural establishments in different localities.

Being neighbors of Cambodia, we are very happy at the important achievements recorded by the Cambodian people under the leadership of King Norodom Sihanouk in building a Cambodian state of independence, peace, and non-alignment, and one which is friendly to all nations. We also express our joy at the relations of traditional unity and cooperation between the two close, neighboring countries of Vietnam and Cambodia. The relations, after experiencing challenges, have been continuously strengthened and developed.

Regarding their national construction and development, as well as their efforts to develop their friendship relations, especially in the present circumstances, Vietnam and Cambodia share a common concern to strengthen and broaden the relations of good neighborliness and multilateral cooperation for mutual benefit. That relationship is based on the principles set forth in the January 1992 Vietnam-Cambodia Joint Communique. The principles were also repeated in the August 1993 Vietnam-Cambodia Joint Communique.

The joy of the two peoples is further multiplied when the relations have been continuously strengthened and developed. That is prominently manifested by this official friendship to Vietnam by the KOC National Assembly delegation.

In the cordial talks with Party General Secretary Do Muoi, State President Le Duc Anh, and Prime Minister Vo Van Kiet, Samdech Chea Sim expressed his fine impressions of the quick improvement in the Vietnamese socioeconomy and the important achievements recorded by the Vietnamese people in their renovation undertaking. He confirmed that as a great encouragement for the Cambodian people in their current undertaking of national protection and construction. He affirmed the Cambodian people's determination to overcome all difficulties and challenges in order to take their revolutionary undertaking to a situation of stability and development. The KOC National Assembly, government, and people will do their best to preserve and develop the Cambodia-Vietnam fraternal friendship and the comprehensive cooperation for peace and prosperity in each country and for peace, stability, and cooperation in the region and the world. Samdech Chea Sim thanked the Vietnamese Government and people for their previous great assistance to the Cambodian revolution as well as their present active contribution to the process for peace and national concord in Cambodia.

In their talks with the distinguished Cambodian guests, Party General Secretary Do Muoi, State President Le Duc Anh, and Prime Minister Vo Van Kiet heartily welcomed the Vietnam visit by the high-ranking delegation of the Cambodian National Assembly at the Vietnamese new year. They considered this as a significant event and a good sign of Vietnam-Cambodia friendship, unity, and cooperative relations. The Vietnamese leaders confirmed that as ever, Vietnam wishes—and in reality, Vietnam has done its best—to build and strengthen the time-honored friendship and the close, friendly relations between the peoples in the two countries. And Vietnam always supports the Cambodian people's efforts to build a Cambodia of independence, peace, non-alignment, which is friendly to all countries, especially to neighboring countries. The Vietnamese leaders stated that this Vietnam visit by the Cambodian National Assembly delegation ushered in a new era for the Vietnam-Cambodia relations of friendship and cooperation.

Heartily welcoming the official friendship Vietnam visit by the KOC National Assembly delegation led by Chairman Chea Sim, we hope that the delegation will record fine achievements in its visit and we trust that the Vietnam-Cambodia relations of friendship and cooperation will be continuously consolidated and strengthened.

Delegation Ends Visit

BK0503160094 Hanoi VNA in English 1426 GMT 5 Mar 94

[Text] Hanoi VNA March 5—A delegation of the Cambodia's National Assembly led by its Chairman Samdech Chea Sim, left Hanoi today, ending its four-day official friendship visit to Vietnam.

Prominent among, the farewell party were National Assembly Chairman Nong Duc Manh and Cambodian Charge d'Affaires to Vietnam i.e. Chhong Toeun.

While here, the delegation visited the Thang Long Export Garment Company, the Mekong Car Corporation, the Hoa Binh hydro-electric power plant and Hoa Binh Province.

Mongolian Leader Visit Continues, Meetings Noted

Le Duc Anh Hosts Banquet

BK0503112794 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 3 Mar 94

[Text] SRV President Le Duc Anh today received Mongolian President Punsalmaagiyn Ochirbat and his entourage on their arrival in Hanoi. On behalf of the government and people of Vietnam, President Le Duc Anh warmly welcomed President Ochirbat, his wife, and other Mongolian guests now on a visit to Vietnam, bringing with them the age-old relations of friendship and solidarity between the two countries.

President Le Duc Anh held that this visit by the delegation would contribute to strengthening understanding and further consolidating the existing relationship between the two countries in conformity with the new situation at present.

On behalf of his delegation, President Ochirbat sincerely thanked President Le Duc Anh and the Vietnamese Government for having reserved a cordial and grand welcome for his delegation. He emphasized that this visit to Vietnam is a good opportunity for Mongolia to exchange experiences with Vietnam and learn from Vietnam's experience acquired during its renovation process and national construction. The president expressed his firm belief that the long-standing relations of friendship between Mongolia and Vietnam will continue to be consolidated and developed for the benefit of each respective country.

President Le Duc Anh and his wife hosted a banquet this evening for President Ochirbat, his wife, and their entourage.

At the banquet, together with all those in attendance, Presidents Le Duc Anh and Ochirbat proposed toasts to the increasing consolidation and growth of the long-standing relations of friendship and cooperation between the two countries and to the fine success of President Ochirbat's visit to Vietnam.

During the banquet, held at the presidential palace, President Ochirbat, his wife, and other Mongolian guests were treated to a unique art performance given in honor of their delegation.

Ochirbat Visits Ho Chi Minh Mausoleum

BK0503143294 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 4 Mar 94

[Text] On the morning of 4 March, Mongolian President Punsalmaagiyn Ochirbat, his wife, and other distinguished Mongolian guests now on a visit to Vietnam laid a wreath paying tribute to President Ho Chi Minh at his mausoleum. The wreath carries the following inscription: A respectful Tribute to President Ho Chi Minh—Glorious Man of the Vietnamese Nation.

The delegation also visited President Ho Chi Minh's residence and office. At Uncle Ho's stilt house, President Ochirbat posed for a while before some memorabilia that conjured up the image of the great leader of the Vietnamese people. He was apparently moved when Mr. Tran Viet Hoan, director of the late president's heritage complex, recalled a statement by President Ho Chi Minh that, although living far apart, the Vietnamese people and the Mongolian people love each other dearly and they have always supported each other. I firmly believe that the friendly and cooperative relations between the two countries will certainly develop with every passing day, thus contributing to the maintenance of peace in Asia and the world.

President Ochirbat entered his thoughts in a souvenir book and signed it.

After leaving Uncle Ho's stilt house, President Ochirbat and his wife visited the Ho Chi Minh Museum where he was welcomed by Curator Cu Van Truoc and the museum staff and was guided by them on a tour of various galleries.

Ochirbat Meets Party Leaders

BK0503085894 Hanoi VNA in English 1534 GMT 4 Mar 94

[Text] Hanoi VNA March 4—General Secretary Do Muoi of the Communist Party of Vietnam Central Committee received here this afternoon Mongolian President P. Ochirbat and his entourage, now on an official friendship visit to Vietnam. In a cordial and sincere atmosphere, the two leaders informed each other of the situation in each country and exchanged views on orientations and steps to enhance the traditional and friendly relations, and expand the existing cooperation between the two countries. Mr Do Muoi praised President Ochirbat's Vietnam visit as an important landmark which ushers a new chapter in the relations between the two countries in line with the common tendency of our times. He expressed his deep gratitude to the Mongolian fraternal people for their wholehearted and valuable support and assistance to Vietnam's national defence and construction in the past years. He affirmed that Vietnam wishes and is striving to create the friendship and strengthen the solidarity and expand the multifaceted cooperation with Mongolia. For his part, President Ochirbat thanked the Vietnamese party, state and people for extending him and the Mongolian delegation a warm welcome. He expressed his satisfaction at the fine results of his visit, which he said would contribute to the further promotion of ties between the two countries.

Also in this afternoon, Prime Minister Vo Van Kiet paid a visit to Mongolian President Ochirbat, who arrived here yesterday. President Ochirbat and Prime Minister Vo Van Kiet talked cordially about the friendly and cooperative links between the two countries.

The Mongolian president briefed Mr Vo Van Kiet of the results of the talks held between him and President Le Duc Anh. He said that agreements reached during that talks were the guidelines to further strengthen the traditional friendship and cooperation between the two fraternal peoples. He expressed his hope that these relations would enter into a new stage of development with cooperation agreements on economic, scientific and technical, and trade fields between the two countries to be signed soon.

At the meeting Prime Minister Vo Van Kiet said that though each country had their own advantage and difficulty, Mongolia and Vietnam could promote the mutually-benefit cooperation for the interest of the people of each country and of the region. The Vietnamese Government and people always treasure the traditional friendship and cooperation between Vietnam and Mongolia. Mr. Kiet affirmed that the Vietnamese Government would implement the agreements on the bilateral cooperation development agreed upon by the Vietnamese and Mongolian presidents during President Ochirbat's visit to Vietnam.

Earlier in the second day of his official visit, Mongolian President P.Ochirbat and his entourage paid a floral tribute to late President Ho Chi Minh, visited his home and office, then the Ho Chi Minh Museum.

Speaking at today's meeting with a delegation of the Vietnam-Mongolia Friendship Association led by its President Hoang Minh Thang, President Ochirbat expressed his pleasure at the continued development of the traditional friendship between the two countries and the association's activities contributing to the strengthening of the relations and the mutual understanding between the two nations and between the Vietnamese and Mongolian people.

President Ochirbat, his wife and his delegation also called at the historical museum and a number of economic and cultural establishments in the capital.

Foreign Ministers Hold Talks

BK0503090094 Hanoi VNA in English 1546 GMT 4 Mar 94

[Text] Hanoi VNA March 4.—Foreign Minister Nguyen Manh Cam held talks here this morning with his Mongolian counterpart T.S.Gombosuren.

The two ministers exchanged views on international and regional issues of common concern and disussed measures to promote the economic, commercial cooperation as well as cooperations in other fields agreed upon during the Vietnam—Mongolia high-level talks.

The talks took place in an cordial atmosphere and reached fruitful results.

Joint Declaration Signed

BK0503155994 Hanoi VNA in English 1456 GMT 5 Mar 94

[Text] Hanoi VNA March 5—President Le Duc Anh and his Mongolian counterpart P. Ochirbat signed here a joint declaration on the occasion of the latter's three-day official visit to Vietnam.

The joint declaration says in parts:

'Acknowledging the important contribution of the Mongolia-Vietnam friendship and cooperation treaty signed in 1979 to the development of bilateral cooperation between Vietnam and Mongolia, the two sides agreed to hold discussions soon for renewal of the treaty.

'The two sides will further exchange views on bilateral and international issues of common concern, cooperate with each other in the framework of the United Nations and other international organizations, aimed at contributing to the consolidation of peace, stability and cooperation in the Asian-Pacific region.

'The two sides agreed to step up preparations for the signing of an agreement on economic-commercial, scientific and technological cooperation as well as an agreement on investment promotion and protection. These are aimed at creating favourable conditions for the development of trade relations and economic cooperation, and pushing up the holding of the 8th session of the Vietnam-Mongolia inter-governmental committee for economic, scientific and technological cooperation. At the same time the two sides also encourage and facilitate private establishments in their countries to enter into partnership, including in the forms of direct investment and joint venture.'

On the world's situation, 'the two sides paid special attention to the new developments in the relations among countries in the Asian-Pacific region, and expressed their desires to broaden their friendship and cooperation for equal and mutual benefits with all nations in the region, thus contributing to the construction of Asia and the Pacific into a peaceful, stable and cooperative region.'

'The two sides held that all issues of differences and disputes in the region should be settled by means of negotiation in conformity with the United Nations charter and international laws, and with the aspiration, basic interests of the peoples in the region.'

Also today, a programme of medical cooperation was signed by Vietnamese Deputy Minister of Public Health Le Van Truyen and his Mongolian counterpart.

President Ochirbat and his wife left Hanoi this morning, ending their friendship visit to Vietnam.

Speaking at the official farewell ceremony, President Le Duc Anh highly valued President Ochirbat's visit as a new step of development in the Vietnam-Mongolia relationship. He expressed his belief that the friendship and cooperation between the two countries would continue developing in the interest of each country.

Further on Joint Declaration

BK0603093994 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Mar 94

["Text" of Vietnam-Mongolia joint declaration on Mongolian President Punsalmaagiyn Ochirbat's 3-5 March visit to Vietnam; date and place of issue not given]

[Text] 1. At the invitation of SRV President Le Duc Anh, President of the Republic of Mongolia Punsalmaagiyn Ochirbat and his wife paid an official friendship visit to Vietnam from 3-5 March 1994.

While here, President Ochirbat paid tribute to President Ho Chi Minh mausoleum and visited the Ho Chi Minh museum and the late president's residence and office. The delegation also visited a number of industrial and cultural establishments in Hanoi and other localities. General Secretary of the Communist Party of Vietnam Central Committee Do Muoi received President Ochirbat. Presidents Le Duc Anh and Ochirbat held offical talks. Prime Minister Vo Van Kiet paid a courtesy call on President Ochirbat. All the talks took place in an atmostphere of friendship and mutual understanding.

2. During their talks, Presidents Le Duc Anh and Ochirbat informed each other of the situation in their respective country and exchanged views on the need to continue to consolidate and develop the relations of friendship and cooperation between Vietnam and Mongolia as well as on other international issues of mutual concern.

On behalf of the government and people of Vietnam, President Le Duc Anh highly valued the efforts of the government and people of Mongolia to improve their socioeconomic situation. He expressed his belief that the Mongolian people would be able to successfully build a prosperous country and a happy life along the path chosen by the Mongolian people.

President Ochirbat highly valued those achievements scored by the Vietnamese people in their renovation process and expressed his belief that the Vietnamese people would be able to achieve their goal of building a powerful country, a prosperous people, and an equitable and civilized society.

3. The two sides expressed their willingness to treasure the traditional friendship and cooperation between Vietnam and Mongolia and agreed to to further develop their cooperation in various areas—political, economic, trade, scientific, technological, public health, cultural, educational, and others—in conformity with the new situation on the basis of international principles and practices such as respect for each other's independence and sovereignty, noninterference into each other's internal affairs, equality and mutual benefit.

The two sides maintained that developing such cooperative relations between Vietnam and Mongolia will meet the interests of each people and the cause of various nations for the sake of peace and cooperation in Asia-Pacific region and the world over.

While taking note of the important contributions of the Vietnam- Mongolian treaty of friendship and cooperation that was signed in 1979 and the development of bilateral cooperative relations between the two countries, the two sides agreed to hold an early exchange of views over the renewal of this treaty.

The two sides will increase their exchanges of views on matters related to bilateral relations and other international issues of mutual concern. They will achieve mutual cooperation within the framework of projects sponsored by the United Nations and other international organizations to contribute to the cause of consolidating peace and achieving stability and cooperation in the Asia-Pacific region.

The two sides agreed that they would hold talks to proceed toward signing an agreement on economic, trade, scientific, and technological cooperation as well as an agreement on investment encouragement and protection to create favorable conditions for the development of their trade relations and economic cooperation, and that they would hold the eighth meeting of the their Vietnamese- Mongolian Intergovernmental Committee on Economic, Scientific, and Technological Cooperation. Meanwhile, the two sides will also encourage and create favorable conditions for private establishements in the two countries to develop their cooperation, including the forms of direct investment and joint venture.

4. The two sides maintained that although there are some positive world and regional trends in a complicatedly changing world, efforts to maintain peace and stability and to consolidate the cooperation will be very necessary. The two sides were particularly concerned about the situation and new developments in the relations between nations in the Asia-Pacific region. The two sides expressed their desire to broaden the relations of friendship and equal and mutually beneficial cooperation with all nations in the region to contribute to building the Asia-Pacific region into a zone of peace, stability, and cooperation.

The two sides maintained that all the differences and disputes in the region must be settled through negotiations in conformity with the UN Charter and interntional law and with the aspirations and fundamental and long-term interests of the people in various countries in the region.

5. The two sides unanimously agreed that President Ochirbat's visit to Vietnam has concluded with fine success, ushering in a new stage in the development of the relations of cooperation and friendship between Vietnam and Mongolia, thus contributing to the trend of cooperation in Asia and the Pacific and the world over.

President Ochirbat expressed his sincre and profound gratitude for the warm welcome accorded his delegation by President Le Duc Anh and other leaders and the people of Vietnam.

President Ochirbat invited President Le Duc Anh to pay an official visit to Mongolia. President Le Duc Anh accepted this invitation with pleasure.

Do Muoi Receives Lao Military Delegation

BK0703083094 Hanoi VNA in English 0559 GMT 7 Mar 94

[Text] Hanoi VNA March 7—Do Muoi, general secretary of the Communist Party of Vietnam Central Committee (CPVCC) received here on March 5 a visiting high-level military delegation of Laos led by Defence Minister Sen. [Senior] Lt. Gen. Choummali Sai-gnason. Present at the reception were Gen. Doan Khue, Politburo member of the CPV CC and minister of national defence. Lieut. Gen. Nguyen Thoi Bung, member of the CPVCC and deputy minister of national defence and Do Van Tai, deputy head of the party's external relation commission.

Sen. Lieut. Gen. Choummali Sai-gnason expressed his pleasure at the further consolidation and development of the friendship and fraternal solidarity between the two armies. He affirmed that the party, the state, the army and people of Laos are determined to defence and foster the special friendship, fraternal solidarity and multifaceted cooperation between Vietnam and Laos.

Sen. Lieut. Gen. Choummali Sai-gnason conveyed to General Secratary Do Muoi best regards from Khamtai Siphandon, chairman of the Lao People's Revolutionary Party and prime minister, and Nouhak Phoumsavan, president of Laos.

For his part, General Secretary Do Muoi clearly pointed out that Vietnam and Laos are close neighbours, having tradition of solidarity and mutual assistance in their struggle for independence of each country. Nowadays, the two parties and states are unanimous to continue consolidating and developing such precious tradition in their national defence and construction in the interests of the two peoples and for peace, stability and cooperation in the region and the world as a whole.

On this occasion, General Secretary Do Muoi asked the delegation to convey his best regards to Khamtai Siphandon, Nouhak Phoumsavan and other leaders of Laos.

Singapore's Prime Minister Ends Visit

BK0603150294 Hanoi VNA in English 1412 GMT 6 Mar 94

[Text] Hanoi VNA March 6—Prime Minister Goh Chok Tong of Singapore and his party left Ho Hi Minh City this afternoon, ending their official visit to Vietnam. While in Ho Hi Minh City, Prime Minister Goh Chok Tong was received by Mayor Trung Tan Sang, who gave him a brief account of the development of the city and of the investment and business environment in the city. On March 4 the mayor of Ho Chi Mind City gave a banquet in honour of Prime Minister Goh Chok Tong and his party. On March 5 the prime minister and other Singapore guests visited Saigon harbor and attended the ground breaking ceremony for the Ba Son-Keppel shipyard, a joint venture between Vietnam and Singapore. Meanwhile the minister of trade and industry, Yeo Cheow Tong, and the business delegation accompanying Singapore prime minister attended the launching of the Singapore- built handphone system. The Singaporean guests were seen off at Tan Son Nhat Airport by Deputy Chairman of the Ho Chi Minh City People's Committee Phan Chanh Truc and other senior Vietnamese officials.

Further on Kiet Meeting With Norwegian Ambassador

BK0603145894 Hanoi VNA in English 1359 GMT 6 Mar 94

[Text] Hanoi VNA March 6—Prime Minister Vo Van Kiet received here yesterday Norwegian Ambassador to Vietnam Willy Johan Frederiksen who paid him a courtesy visit.

Prime Minister Kiet and the newly accredited ambassador expressed their pleasure at the development of the Vietnam-Norway relations of friendship and cooperation. They also expressed their desire to further broaden these relations in accordance with the potentials and interest of each country and the trend of development and cooperation in the world.

The Norwegian ambassador affirmed that the Norwegian Government has always been ready to cooperate with and assist Vietnam. He said that in the coming time some Norwegian delegations will come to Vietnam to inquire into possibilities of cooperation in trade, and oil industry. He also wished that the Vietnamese people will obtain more achievements in the renovation process and in building their prosperous country.

Prime Minister Vo Van Kiet highlighted Norway's success and experiences in economic management and expressed his hope that the friendly and cooperative relations between the two countries will effectively develop in the future.

Official: Central Bank Needed Before 2000

BK0603090194 Hanoi VNA in English 0557 GMT 6 Mar 94

[Text] Hanoi VNA March 6—By 2000, Vietnam must have a central bank capable of administering monetary policy and commercial banks able to compete with foreign rivals, according to Cao Sy Kiem, governor of the State Bank.

Cao Sy Kiem also made known that a USD 73 million-project aimed at computerising and automating Vietnam's banking industry from now towards 2000 had been approved.

The fund, he added, would be taken from the state budget, foreign loans as well as the reserved capitals of the Vietnam State Bank.

Over the past three years Vietnam has made great efforts to become integrated with the world banking system. About 2,600 assorted personal computers have been put into use in various state- run banks and commercial banks. Information networks have been formed and completed within each bank as well as from provincial-level banks to central bank.

Moreover, various new professional techniques have been applied such as electronic money transfer, an interbank market, remote inspection and supervision, preventative information, foreign currency and precious stone businesses, and so on.

Thanks to these changes, the payment time has been reduced considerably, thus the rate of circulation has also accelerated.

This improved service has improved the business environment for the entire economy.

Power Line Project 'Essentially' Complete

BK0603090094 Hanoi VNA in English 0523 GMT 6 Mar 94

[Text] Hanoi VNA March 6—Tenders for [words indistinct] equipment, materials, and services for the But Son cement project were invited here on March 1.

The But Son cement plant, with a capacity of 1.4 tonnes per year, was constructed in Thanh On Commune (Kim Bang District, Nam Ha Province). After the Vietnam Cement Corporation invited tender, six companies from Denmark, Japan, South Korea, France, and Germany entered bids. The companies include : CLE and Mkrubeni, KHD Humboldt and Cosaliberman, Hyundai, Krupp Polysius and Itochu, F.L Smith and Mitsui, UBE and Nissho Iwai. The lowest tender was USD 96.5 million, and the highest one was USD 187.2 million.

A 12-member bidding council was set up with Mr. Tran Van Huynh, deputy minister of construction, as its head. The cement consulting investment and development company was appointed by the contractor as the bid's advisor.

The construction of the 500 kv Trans-viet power line project has essentially been completed.

Power poles in 3,436 building sites of the whole network from Hoa Binh to Phu Lam were erected, 1,487 km of parallel conductive line and safety line had been completely installed by February 25, according to information from the 500 kv Trans-Viet power line project's managing board.

Regional Economic Specialist Meets Officials

BK0403160894 Hanoi VNA in English 1515 GMT 4 Mar 94

[Text] Hanoi VNA March 4—David Parsons, director general of the Pacific Economic Cooperation Council (PECC), left Hanoi this morning, concluding his two-day visit to Vietnam.

During his stay here, he paid a courtesy visit to Vice Prime Minister Tran Duc Luong, had working sessions with Deputy Foreign Minister Le Mai and Deputy Head of the Party Commission for External Relations Pham Van Chuong.

David Parsons gave a brief of the Pacific Economic Cooperation Council (PECC), saying that it is an observer of the Asia-Pacific Economic Cooperation (APEC) and also a bridge linking this international body with countries prior to their participation in the APEC.

His visit was made at the invitation of the Foreign Ministry.

Customs Sector Conference Sets Revenue Target

BK0403045994 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 3 Mar 94

[Text] The Customs General Department held a conference from 1-3 March to discuss measures to fulfill its 1994 duties and orientations for building up the customs sector before 2000. Deputy Prime Minister Phan Van Khai addressed the conference.

This year the customs sector was assigned by the state to collect 8,500 billion dong in import-export taxes. At the conference, the officials discussed various measures to implement state regulations and orders on renovating economic thinking in line with the party's open door policy; initiating and submitting to the government new regulations and policies that respond to the needs of the new situation; reforming supervision mechanisms to ensure convenience for local residents and foreign guests in traveling in and out of the country; maintaining a smooth flow of trade; and suppressing smuggling and tax evasion.

The sector will strive to fight corruption, and expel and bring to trial those degenerate cadres and officials. The customs offices will also pay more attention in improving statistical work, upgrading facilities so that they can help the government with effective macroeconomic management.

All-Army Midterm Conference Concludes

BK0603093894 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 4 Mar 94

[Text] Dear friends: After four days working with a high sense of urgency and enthusiasm, the all-army midterm conference has concluded. The conference participants worked with a high sense of responsibility to the renovation undertaking and in a democratic, open, and frank atmosphere, to concentrate all-army intelligence in thoroughly and profoundly absorbing the resolution of the party midterm national conference and the report of the party Central Committee Military Commission.

The conference participants also reviewed the national defense work in the last two years, discussed orientations for national defense work in the next period, and set up directions and measures to implement successfully the national defense and security tasks in the new situation.

The conference participants' discussion was rich in both theory and practice context and resulted in a high consensus to the evaluation on achievements and on duties for the period to come. In discussing the eight essential short-term tasks, the deputies paid extensive attention to the national defense and security tasks.

Considering the current world situation and domestic developments, the deputies totally agreed with provisions of the resolution passed by the party midterm national conference, and the report of the party Central Committee Military Commission. They also suggested many concrete measures to strengthen national defense and security systems.

The conference participants discussed orientations on a number of major tasks in national defense and security and on heightening revolutionary vigilance, strengthening political grassroots agencies and national defense movements, cohesively combining the people's security network with the all-people national defense undertaking, and consolidating party leadership and state management in national defense and security. Various deputies offered profound analysis on the current situation and new demands for national defense to safeguard internal security, the party, and the government.

Based on their particular positions, the deputies asserted that the task of consolidating political and ideological understanding is the basis for building up steadfast units, heightening the combat ability of the army, and successfully fulfilling all assigned duties.

Comrade Senior General Doan Khue, member of the party Central Committee Political Bureau, deputy secretary of the party Central Committee Military Commission, and national defense minister, on behalf of the presidium, summed up opinions and suggestions for the resolution of the party midterm national conference and the report of the party Central Committee Military Commission on national defense duties.

He pointed out that after all the discussion we have gained principal results of more profound understanding and higher support for the contents of the political reports. We have clearly seen a new renovation phase in party leading ability through reviewing all theoretical work and evaluating all realities. The entire army has shown confidence in the current progress and the bright future of the country and has clearly determined the political duties of the party and people in the important turn to a new stage. The entire army will continue to heighten the strength of the people's armed forces and the leadership ability of all party organizations, and together with localities it will build an ever more steadfast national defense system, thus contributing their part in maintaining political stability and the construction of a prosperous and beautiful country on the path of socialism.

The conference participants were very much encouraged by the presence of Comrade General Secretary Do Muoi. In the capacity of the party general secretary and secretary of the party Central Committee Military Commission, Comrade Do Muoi talked warmly and openly to the conference. On behalf of the party Central Committee Political Bureau and the party Central Committee Secretariat, the comrade praised the army for all its efforts and achievements, expressed confidence and love of the party and people in the firm political acumen, high sense of responsibility, and readiness for combat of the army.

The all-army midterm conference concluded successfully on the evening of 4 March.

Australia

Evans To Raise U.S.-Japan Dispute During Talks

BK0703055794 Hong Kong AFP in English 0533 GMT 7 Mar 94

[Text] CANBERRA, March 7 (AFP)—Australian Foreign Affairs Minister Gareth Evans is expected to raise the deepening U.S.-Japan trade row during talks with U.S. Secretary of State Warren Christopher due here Monday, officials said.

Last week the United States revived its Super 301 law which allows for unilateral trade sanctions against countries found to have discriminated against US imports.

The long-standing view in the Australian Government is that Australia does not take sides in the dispute but sees fault on both sides, officials said.

It is understood that Evans will raise the trade dispute with Christopher in their talks which are scheduled to start Tuesday, a trade ministry official said.

US President Bill Clinton signed an executive order reinstating the Super 301 provision following breakdown of the US-Japan economic-framework talks.

Trade Minister Bob McMullan stressed that Australia does not support punitive trade sanctions like Super 301.

"We understand why the United States, like Australia and the rest of the world, supports opening up of the Japanese market—but we don't support anyone doing it in a unilateral or discriminatory way," he said last week.

He added that he did not see reintroduction of Super 301 as "the outbreak of a trade war," but as racheting up the pressure on Japan.

McMullan said the trade question would not be a "priority issue" in the Evans-Christopher talks which close Wednesday and which are to focus on defence and security concerns.

"But it would be very surprising if such a senior US representative came to Australia and we did not mention some trade issues," he said.

In an editorial Monday, the conservative Sydney Morning Herald labelled the invoking of Super 301 as "unnecessary and reckless" and warned that if there was a trade war "countries like Australia will be the first casualties."

Urging Evans to "tell it like it is", in his meetings with Christopher, the daily said the US official should be "reminded that Australia's ability to honour its alliance (with Washington) is tied to the health of its trade-based economy.

Turkey's Cetin on Talks in New Zealand, Australia

TA0503143694 Ankara TRT Television Network in Turkish 1100 GMT 5 Mar 94

[Video report by Yasar Kefeli in Australia]

[Text] Foreign Minister Hikmet Cetin's visits to New Zealand and Australia were based on the aim of further improving the existing good relations between Turkey and those countries. Cetin stressed that the concrete results of these visits will be observed in the near future.

At the end of his official visits to New Zealand and Australia, Cetin made a statement to Turkish Radio and Television. He said that the political will indeed exists to develop the relations between these countries. He pointed out that his visits were beneficial, and that they showed the importance given to Turkey. Cetin also said that additional agreements might be signed with those countries.

[Begin Cetin recording] Turkey, Australia, and New Zealand are members of the western group of the United Nations. New Zealand is also a Security Council member. Australia plans to be a Security Council member in the future. During my trip, we assessed the tasks before the United Nations in the coming period and the viewpoint of the UN Security Council regarding the developments taking place around Turkey. The issues of Bosnia-Herzegovina, Nagorno-Karabakh, the developments in the Middle East, and the embargo on Iraq are issues that closely concern Turkey and that are on the agenda of the United Nations. We held a very close exchange of views on these topics. [end recording]